Daily Report

Latin America

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Caricom Pledges Support to U.S. OAS Ambassador

FL1501010394 Bridgetown CANA in English 1749 GMT 14 Jan 94

[Excerpt] Washington, 14 Jan, CANA—[passage omitted] Caribbean member nations of the OAS expressed their pleasure at seeing [U.S.] Ambassador Babbitt take her place as the new head of the [OAS Permanent] Council, and pledged their support for ensuring the success of her efforts during her term.

Speaking on behalf of Caricom member nations of the OAS, St. Lucia's permanent representative, Ambassador Joseph Edmunds, expressed the hope that the new chairperson would provide over "some meaningful inter-American action" and would serve the interest of all the hemisphere in pursuit of peace, security, economic, and social well-being of the people of the hemisphere.

Several delegates also welcomed the new vice chairman of the council, permanent representatives of Grenada, Ambassador Denneth Modeste.

Menem Opens World Conservation Summit in Buenos Aires

PY1801230694 Buenos Aires BUENOS AIRES HERALD in English 18 Jan 94 pp 1, 18

[Article by Carmen Pignotti]

[Excerpt] The focus of international co-operation should spread from politics and economics to the environment, President Carlos Menem said last night [17 January] at the opening session of a world conservation summit in Buenos Aires.

Menem, who described the environment as the key issue facing humanity, said global action was crucial to turn the current tide of depletion of natural resources.

"Little by little, the era of wars is being overcome, we owe it to ourselves now to leave behind the wars against nature, which are also wars against us," Menem told delegates to the 19th general assembly of the World Conservation Union (IUCN).

Among its immediate plans for environmental action, Argentina will upgrade its federal Environment Secretariat to ministerial rank and create a new 70,000-hectare natural reserve in San Juan province, Menem announced.

The "El Leoncito" reserve will provide protection to several ecosystem and will be run by the National Parks Administration. Menem noted the reserve's creation would mark the 90th anniversary of the country's first national park, Nahuel Huapi.

Describing the environment as a priority on his agenda, Menem said plans to create a ministry in charge of the environment would be crystallized after the much-vaunted reform of the National Constitution.

The IUCN assembly—an event held every three years—brings together delegates from over 800 governments, state agencies and nongovernmental organizations (NGOs) from some 125 countries for a 10-day marathon of special seminars, plenary debates and workshops.

Menem described the current assembly in Buenos Aires, the largest gathering of world environmental leaders since the United Nations Earth Summit in 1992 in Rio de Janeiro, as "a unique opportunity to start generating a model for civilization that will maintain the harmony of the planet."

"Ecology is not only one of the issues attracting the interest of the world, it is the main issue that humanity should be taking care of," said Menem.

Delivering the keynote address at the assembly's inauguration, outgoing IUCN President Sir Shridath Ramphal placed the stress of today's environmental problems on the issues of consumption and population, undergoing the weaknesses of the Earth Summit.

The Rio summit produced two international conventions and a detailed plan for action, known as Agenda 21.

"The silence guilt, a forlorn hope that if decisions can be deferred long enough and solutions sought in other directions, changing the lifestyles of the rich may not after all be necessary. But silence does not change reality," Sir Shridath declared. [passage omitted]

Caribbean Delegates Attend

FL1801222994 Bridgetown CANA in English 1935 GMT 18 Jan 94

[Text] Castries, St. Lucia, 18 Jan, CANA—Some Caribbean delegates are down to attend the 19th triennial general assembly of the World Conservation Union (IUCN) that was opening in Buenos Aires, Argentina, Tuesday.

The Caribbean delegates include Yves Renard, executive director of the Caribbean Natural Resource Institute (CANARI), who served as regional representative on the IUCN council, and David Smith, executive director of the Jamaica Conservation Development Trust.

Lynn Holowesko, of the Bahamas National Trust, and representatives of several other governmental agencies and non- governmental organisations in the Caribbean are also listed to attend the meeting.

They will be joined by other leading experts on the environment and development from around the world, to discuss the major environmental issues of the time, a statement from CANARI said.

The theme for the January 18-26 meeting is "Caring for the Earth and Its People."

Participants will address issues such as the implementation of the convention of biological diversity, the formulation of policies on the sustainable utilisation of living natural resources, and the incorporation of environmental care in human ethics, CANARI added.

They will also explore "the Caribbean experiences and its approaches to conservation, natural resource management and sustainble development."

Every three years, members of the IUCN get together to set the policy and direction that the union will follow over the next three years.

Discord Among Banana Producers

PA1401175994 Panama City ACAN in Spanish 0024 GMT 14 Jan 94

[Text] San Jose, 13 Jan (ACAN-EFE)—The solid bloc maintained by the Latin American banana-producing countries in their negotiations with the European Union (EU) has shown its first public fissure when four countries in the bloc failed to attend today's meeting in Costa Rica to study the European import proposal.

The meeting, which ends tonight, was called by Costa Rica. However, Ecuador, the world's top banana-producing country; Panama; Honduras; and Guatemala were not present, and only the host country, Colombia, Venezuela, and Nicaragua showed up for the meeting.

Prior to the meeting, which got under way after an hour's delay, Costa Rican Foreign Trade Minister Roberto Rojas said the countries that had not attended the meeting "do not agree" on presenting a counterproposal to the EU's 14 December offer, which is now being studied in San Jose.

Three-Country Entity Created To Solve River Problem

PY1701165094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1355 GMT 17 Jan 94

[Text] Colonia del Sacramento, Uruguay, 17 Jan (NA)—The presidents of Argentina, Paraguay, and Bolivia this morning agreed to establish a joint entity that will study possible solutions to the problems created by the continual floods of the Pilcomayo River.

This was announced this morning by Argentine Foreign Minister Guido Di Tella following the meeting among Presidents Carlos Menem, Juan Carlos Wasmosy, and Gonzalo Sanchez de Lozada in the Mirador Hotel.

Taking the opportunity of the presence of the Bolivian president, the Argentine and Paraguayan presidents invited him to help them find solutions for the Pilcomayo problems.

Di Tella said that these floods cause considerable ecological damage. He added that in order to solve these problems the three countries will seek financing from international financial institutions.

The Argentine minister said that during 1994 Argentina and Paraguay will try to solve the problems created by this river exclusively in their countries, but in 1995 the works and studies will have to be carried out jointly among the three countries.

Argentina and Paraguay last year had serious incidents as a result of the poor construction of two relief channels on both sides of the river in Formosa Province.

The issue was solved when the two governments decided to leave aside these faulty channels and to begin new works to solve the problem of the floods.

Venezuela Approves Caribbean Fishing Agreement

FL1701180894 Bridgetown CANA in English 1502 GMT 17 Jan 94

[Text] Roseau, Dominica, 17 Jan, CANA—Trade between Venezuela and some Caribbean Community (Caricom) states will get an additional boost, now that Venezuela has approved a mutual agreement for commercial fishing in the Caribbean, the Venezuelan Embassy says.

On December 16, the Venezuelan cabinet approved an "alternate proposal for commercial shipping to the Eastern Caribbean," a statement from the Embassy said. "The proposal aims to facilitate trade relations with this part of the Caribbean by augmenting the maritime transportation services existing at the moment." The agreement was approved December 27 and is in keeping with a trade and investment agreement between Caricom and Venezuela, which took effect one year ago.

Units of the Venezuelan Navy will be used on a commercial basis, and will serve initially, the Venezuela/Grenada/St. Lucia/Antigua route, the statement explains. These ports will be used as centres for the consolidation of freight, and it is hoped that other Eastern Caribbean countries will take advantage of what is regarded as a new opportunity for expanding export/import trade with Venezuela.

The move is also expected to strengthen intraregional shipping services.

Mercosur Presidents Set Negotiations Timetable

PY1801153294 Madrid EFE in Spanish 1929 GMT 17 Jan 94

[Article by Alberto Pepe Leira]

[Text] Colonia del Sacramento, Uruguay, 17 Jan (EFE)—The presidents of Argentina, Brazil, Paraguay, and Uruguay today ratified that Mercosur [Common Market of the South] will go into operation on 1 January 1995. They also confirmed the new work program to overcome the problem related to the common external tariff which is preventing the creation of a customs union.

The presidents were not able to fulfill the objective of announcing an agreement on the external tariff which is the basis for the customs union before Mercosur goes into operation. This was the intention of the fifth Mercosur summit after the emergence of a number of problems related to percentages accepted by each country for the protection of heavy industry, electronics, informatics, and petrochemistry.

Brazil, which is the main Mercosur partner, wants tariffs of up to 35 percent on those items while Argentina accepts up to 12 percent or a maximum of 14 percent on the exports of third countries.

Paraguay and Uruguay, the two smaller partners, are in favor of a minimum tariff to prevent being subject to Brazilian technology and to the lack of efficiency of those industrial sectors.

President Carlos Menem of Argentina, Itamar Franco of Brazil, Juan Carlos Wasmosy of Paraguay, and Luis Alberto Lacalle of Uruguay agreed today, upon opening the fifth summit, on the difficulties facing Mercosur in this decisive stage of its operation.

At the same time Bolivian President Gonzalo Sanchez de Lozada, who attended the meeting as an observer, warned in his speech that the lack of political will has been the main cause of Latin American failure in the search for economic integration.

All the presidents who carried out intensive direct diplomatic activity to overcome the obstacles asserted their desire to continue despite the obstacles.

Paraguayan President Wasmosy was the one who clearly defined the current situation by indirectly criticizing those like Brazil which seek to maintain their traditional protectionism.

Wasmosy said that Mercosur will only represent "the opening of a market comparable to other world regions if there is a modern framework based on free trade and competition, and where traditional protectionism must adjust to the new scenario."

He also said that Mercosur must be "a system for new investments and technology, even the 'advanced' ones, as well as real full employment."

On the other side, Brazilian President Franco, who admitted the future difficulties, expressed satisfaction with the progress of Mercosur, and with the growth of the economies of the four countries.

He supports the extension of the free trade agreements to Chile and the signing of other subregional agreements. He added, however, that the complete opening of the Brazilian markets will have "benefits proportional to the size of the openings in each of the other member countries."

In order to overcome the obstacles and interpretations, the presidents decided to approve a new program to define the external tariff. That program must conclude before the sixth summit scheduled for next July, six months before the date established by the Asuncion Treaty of 26 March 1991 to put Mercosur into operation.

That work program establishes concrete dates to define each item of the tariff and to move toward a common percentage for imports from third countries.

The experts believe that the less complex negotiations will conclude before May and that by July there will be a clear picture on the four most controversial items which Brazil hopes to protect from the imports from third countries: informatics, petrochemistry, capital goods, and electronics.

A timetable for reducing tariffs has been established, therefore, it is expected that by the year 2000 there can be a tariff of 12 percent for capital goods.

Regarding informatics and electronics, for which Argentina wants a tariff of 4 percent and Brazil 35 percent, the lowest possible tariff will be established by the year 2006 as a way to favor industrial reconversion.

Bolivia To Participate in Meetings

PY1801185294 Madrid EFE in Spanish 2206 GMT 17 Jan 94

[Text] Colonia de Sacramento, Uruguay, 17 Jan (EFE)—The presidents of Argentina, Brazil, Paraguay, and Uruguay today agreed to integrate Bolivia as an observer country in all the meetings of the work subgroups of the Common Market of the South (Mercosur).

The decision was made during the fifth Mercosur summit, which ended in the city of Colonia, after a formal petition made by Bolivian President Gonzalo Sanchez de Lozada.

Presidents Carlos Menem of Argentina, Itamar Franco of Brazil, Juan Carlos Wasmosy of Paraguay, and Luis Alberto Lacalle of Uruguay issued a public declaration expressing their satisfaction with the Bolivian Government's desire to extend and strengthen its ties with Mercosur.

The declaration states: "They thus considered it appropriate to respond to Bolivia's petition by inviting its representatives to participate, as observers, in the meetings of the work subgroups."

The presidents also state that "within the framework of Bolivia's petition, agreements with Bolivia will be prioritized with the perspective of its future total participation in Mercosur."

President Sanchez de Losada attended the summit as an observer and in his speech he stressed his country's interest in Mercosur without forgetting other integration agreements Bolivia has signed.

Technically, Bolivia cannot join Mercosur because it already belongs to the Andean Pact, but it can associate with it through a free market system.

The Bolivian president said before his colleagues that "we must recognize that we have failed" in Latin American integration "given the lack of political will to eliminate borders that are presently more in the minds of our countries' leaders than in geography."

Sanchez de Losada added: "Our peoples have always considered themselves brothers and sisters within a great

Latin American family. In this process of attaining an ideal, we have fallen and risen many times, but we are learning."

"With past experience and the demands of our current times, we Latin Americans are taking more seriously the challenge of integration, and Mercosur is proof of this," he added.

"We Bolivians are convinced that efforts like Mercosur, the Andean Pact, and the Group of Three have the common objective of making progress toward a greater and broader integration," he stated.

Sanchez de Losada concluded by saying: "Bolivia plays a role in this process by being a point in common and a contact among regional groups. We are willing to play the role that corresponds to us given our continental vocation, our deep integrationist will, and our presence in the River Plate, Andean, Amazon, Pacific, and Atlantic areas."

Wasmosy Wants Coordinated Policies

PY1801165494 Asuncion ABC COLOR in Spanish 18 Jan 94 p 16

[Text] Colonia, Uruguay—Paraguay has established a firm position regarding the integration process stressing that Mercosur [Common Market of the South] will not be possible if the macroeconomic policies of the four member countries are not coordinated.

The firm Paraguayan position even forced the presidents to meet again yesterday afternoon after which the respective economy ministers were instructed to meet next April, in a place yet to be determined, to express each country's commitment to comply with the treaty's chapter on coordination of the economic policies.

Only under these conditions will Paraguay agree to continue negotiating the common external tariff to establish a customs union as of 1 January 1995.

In principle there is an agreement to reach a common external tariff within the following guidelines: the tariffs of 80 percent of products agreed upon by the country members will converge according to the technical criteria adopted by the negotiators. That is, they will reach a common external tariff.

A list of sensitive products will be drawn up immediately. These products will be treated on an exceptional (that is, protectionist) basis until the year 2001. Very sensitive products will be protected until the year 2006. Within these latter products, which have yet not been totally specified, Paraguay managed to obtain zero import tariffs for raw materials or inputs for its national industrial production.

The country members can negotiate the list of sensitive products until April, and the very sensitive products until 30 June 1994.

In his speech, President Juan Carlos Wasmosy said that Paraguay understands that the integration of Mercosur should develop through symmetrical and simultaneous progress in all market areas. The establishment of the common external tariff, he added, demands a coordination of macroeconomic policies and the harmonization of general and specific laws. This must be implemented by the country members together if the much desired common market is to be attained.

"This is why it is preferable to discuss the situation in the present and not on 31 December 1994 if we want to be efficient administrators of the Treaty of Asuncion," he said.

"Paraguay, as it has always been, is currently faithful to its integrationist vocation and ratifies its commitment to achieve a common market. Our four countries must act jointly and with solidarity, making a simultaneous and balanced effort to overcome the basic problems we just referred to," the Paraguayan president said.

The Paraguayan president also pointed out the need "to accept the reality and make the political decision of establishing reasonable deadlines to ensure that the final objective be reached in harmony with the adjustment process of the economies that will be integrated."

Wasmosy added that "it is also worthwhile to reflect on the possibility of creating a solidarity program in favor of the countries with less developed economies to stimulate the redistribution of resources in the region and to minimize the negative aspects that may come about with the adjustments that will be made to form the common market."

This solidarity, he said, could consist of technological and financial support to allow the industrial structures of the less developed economies to improve their level of efficiency and competitiveness which, without doubt, will benefit the community interests. He also asked for special treatment within the common external tariff framework for a greater amount of products sensitive for the less developed economies.

President Juan Carlos Wasmosy talked with the media and said he left the meeting very satisfied with the talks held with the presidents in Colonia. He said they spoke sincerely and that between now and 1 June it will be known with certainty whether Mercosur will work as a common market. Such is the period of time Paraguay asked for so that the country members could define and assume their commitment to make adjustments within their respective economies.

Presidents Sign Joint Communique

PY1801153494 Asuncion ABC COLOR in Spanish 18 Jan 94 p 16

[Article by special correspondents]

[Text] Colonia, Uruguay—The four presidents of the Mercosur [Common Market of the South] countries have

reaffirmed the principles, goals, and timetables established in the Asuncion Treaty to move ahead in a coordinated, balanced, and sustained manner toward the establishment of a customs union and setting the basis for structuring Mercosur in a joint communique released at the conclusion of the presidential summit.

They also noted that the coordination of macroeconomic policies is an essential condition for the sucess of the integration process.

They pointed out that the fulfillment of the timetable established in Las Lenas [Argentina], as well as the instrumentation of the decision of the Common Market Council on the common external tariff, measures, and instruments for structuring Mercosur, are a firm commitment of the four countries. They also agreed that the progress on the different priority areas must be made symmetrically and simultaneously.

Recognizing that the main challenge is to promote the prosperity of their people and to reach the highest standard of living, the presidents expressed their special satisfaction in face of the substantial trade increase within Mercosur which went from $3.6 billion in 1990—before the Asuncion Treaty was signed—to more than $8 billion in 1993.

This accelerated trade growth is the result, among other reasons, of the fulfillment of the commercial liberation program which currently has a tariff preference of 82 percent between the states.

They also expressed their satisfaction over the technical progress reached on the common external tariff, and asserted their determination to conclude the definition of the common external tariff on 30 June 1994 as the basic instrument for structuring the customs union which is a significant stage for establishing the common market.

They also emphasized the importance of the special meeting to be held this year to establish the institutional structure of Mercosur. The meeting will serve to create the permanent institutions that will start operating on 1 January 1995. They also recognized the importance of the current and future works of infrastructure which are the basis of physical integration that also includes the water way.

In the joint communique the four presidents also recognized the importance of strengthening the Latin American Integration Association. They pointed out that it is essential to maintain the integrity of the 1980 Montevideo Treaty which made important projects possible.

They also expressed their safisfaction over the presence of Bolivian President Gonzalo Sanchez de Lozada and reiterated their pleasure at the Bolivian Government's willingness to strengthen its links with Mercosur. They also noted the institutional cooperation provided by the EC with Mercosur as well as the cooperation given by the Inter-American Development Bank.

Menem 'Feared an Attack,' Left Uruguay

PY1801181194 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 18 Jan 94

[Text] President Itamar Franco this morning concluded his visit to Uruguay where he met with the other presidents of the Mercosur [Common Market of the South]. He left Montevideo at 0900 and should be arriving in Brasilia at 1400.

Argentine President Carlos Menem also cut short his visit, leaving for Buenos Aires yesterday afternoon. He feared an attack and left under an unprecedented security blanket at a meeting of South America presidents.

Summit Ends in Colonia, Uruguay

PY1801152594 Madrid EFE in Spanish 2350 GMT 17 Jan 94

[Text] Colonia, 17 Jan (EFE0—Uruguayan President Luis Alberto Lacalle, who was the spokesman for the Fifth Mercosur [Common Market of the South] summit that ended today, Monday, said that he is "pragmatically optimistic" that the common market will finally be set in motion on 1 January 1995.

During a press conference, Lacalle denied that there are two integration systems, a slow one and a fast one, "because we are not like the European Community [EC], which has 12 members; we are only four countries."

This idea was conveyed to observers by the speech by Paraguayan President Juan Carlos Wasmosy, who demanded sincerity and who reported the series of problems that Mercosur is confronting.

Lacalle, who supported Wasmosy's speech because of its "frankness," explained that three years ago, when the Treaty of Asuncion was signed with short terms for implementation, "we all knew it would not be easy, because there are differences of opinion in all systems, even in NAFTA or in the EC."

He said Mercosur is moving forward "with urgent preestablished deadlines" that help expedite the process.

"One should be optimistic in all activities, and I am optimistic about the possibility of achieving integration, but I am also pragmatic, because we base our action on actual facts," Lacalle stressed.

Asked about what would happen if no agreement is reached over the single external tariff, which was not announced today—especially because of the discrepancies between Brazil, which strongly protects its industry, and the other countries, which demand a low tariff to ensure the system's efficiency—Lacalle replied with doubts, saying that "a solution may or may not be reached in June."

"We began a path toward integration which has gone through various phases. It is a dynamic process with different steps and stages, either under the name of

common market or customs union," he said in order to minimize the cricism over the failure to reach an agreement to fully implement the system next year.

Lacalle also addressed the labor centrals, which are controlled by leftist groups, which were not granted an audience at the summit, and which released a communique in Montevideo.

"This is a meeting of nations. We are not a corporation. The presidents, who were democratically elected, represent their countries," Lacalle said.

"We are ready to listen to all the proposals that are consistent with the course that was agreed upon, and that are submitted to the Mercosur secretariat, which should then formulate them to be submitted to the presidents. We cannot transform these meetings into sessions for sectorial demands," he added.

He lamented that the labor centrals of Mercosur countries "do no want to use this system, preferring public demonstrations."

He emphasized the presidential declaration's point on the importance that matters dealing with employment, migration, the protection of workers, and the coordination of the labor legislation of member countries have for building the common market.

"They are difficult matters that we have not yet formalized but that we will jointly address in work groups," Lacalle said.

G-3 Summit Postponed at Mexican Request

PA1801180994 Paris AFP in Spanish 1646 GMT 18 Jan 94

[Text] Caracas, 18 Jan (AFP)—Venezuelan Foreign Minister Fernando Ochoa Antich announced in Caracas that the signing of the trade agreement of the Group of Three (G-3, Mexico, Colombia, and Venezuela), which was scheduled for tomorrow at a presidential meeting, was postponed until February.

Ochoa Antich told the media that the meeting, which was to be held in Cartagena de Indias (Colombia), was postponed at the request of Mexican President Carlos Salinas de Gortari, in view of the difficult situation Mexico is experiencing due to the uprising in Chiapas.

The foreign minister indicated that given that in the next few days there will be a number of important regional commitments, such as the inauguration of the new president of Ecuador [as received], the signing was postponed for after 2 February, when Venezuelan President-elect Rafael Caldera takes office. Ochoa Antich also said the presidents are studying the possibility of holding their meeting in another city.

The G-3 trade treaty is a tripartite agreement for the expansion of the trade flow among Colombia, Mexico, and Venezuela. It provides for the complete elimination of tariffs within 10 years. The agreement that will be signed by the presidents establishes regulations for access to markets, regulations on origin of products, technical norms, intellectual property regulations, and regulations for the exchange of transportation, telecommunications, financial, and professional services. It is expected that this agreement, which at the moment of its signing contemplates an asymmetrical lifting of tariffs giving 28 percent preference to Mexico and 12 percent to Colombia and Venezuela, will go into effect in July, after it is approved by the countries' parliaments.

Colombia, Mexico, and Venezuela form a market of 145 million people, with $50 billion in total exports and $60 billion in imports. The GDP of the three countries is approximately $373 billion.

Cuba

Lezcano Optimistic About 'Difficult Year'

FL1401162794 Havana Radio Progreso Network in Spanish 1200 GMT 14 Jan 94

[Text] During a meeting with members of the 55th Anniversary of the Cuban Workers Federation [CTC] information caravan, Politburo member Jorge Lezcano, first secretary of the Communist Party of Cuba [PCC] in Havana City Province, stated that 1994 would be a difficult year, but very different from 1993. He went on to say that the experience we have accumulated and the economic initiatives that are being implemented will allow us to confront challenges in all senses.

During the meeting, which was held on 13 January, Lezcano advised that conditions have been established to improve the transportation situation of the province. Lezcano added that more than 200 donated buses will arrive and the same number of so-called bus trains will be built for urban service. He added that they hope to increase the volumes of agricultural products with the development of the Basic Cooperative Production Units [UBPC's] that have been created, and with the harvests of the people's organically grown gardens, which have already begun selling vegetables. Lezcano highlighted the improvements in working conditions at work centers. Such is the case of the Port of Havana where they have achieved positive results in comparison with previous periods.

[Begin Lezcano recording] We are not talking about results that double the productivity of the worker. I do not know by how much their productivity has multiplied. Just yesterday and the day before yesterday, at the plenum of the party in Habana Vieja and Regla, we were analyzing this. The results have been extraordinary. They have been able to increase the number of tons per man; they have increased the number of containers per hour. Havana, for example, had previously produced two containers per hour. Nowadays, they are speaking of 38 containers. That is truly amazing. Production fluctuation has considerably decreased. Before, the port had between 5,000 and 6,000 workers, and it was not enough. [word indistinct] was tremendous. We had to constantly mobilize volunteer workers. Today, with approximately 3,500, there are people waiting in line to work at the port.

The other day, someone explained to us the work they did on the 30th, the 31st, and the 1st. It was like clockwork. During the last months of 1993, of 40 ships, 38 were dispatched rapidly. It seems that they have found an interesting formula with many perspectives. [end recording]

Jorge Lezcano also briefed the professionals of the national media on the principal accomplishments of 1993, highlighting achievements in such areas as education, construction, public health, and tourism. Furthermore, he praised the workers parliament process, which began on 12 January at the work centers of Havana City.

[Begin Lezcano recording] This process achieves two important things. One is that it considers the opinion of the people. Many important ideas can be obtained this way. With millions of people providing their ideas and suggestions, it is possible to receive ideas that some economists and officials may not have thought about, on the one hand. On the other hand, it is possible to see where they coincide. You can see that there will be greater acceptance of those measures that coincide. People participating and giving ideas. people recognizing that they are being consulted on the measures that are going to be implemented. This involves a very important political factor, the second aspect: The people understand and support the measures. When the people participate, they have the capacity and a higher likelihood of being able to participate in the implementation of those measures. [end recording]

Lezcano reiterated that 1994 will be a difficult year, but very different from 1993. He added: We have a greater awareness of the problems and how to solve them with increased efficiency and at lower material and human cost.

Banking, Currency Policies Linked

FL1401135194 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Jan 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guests JUVENTUD REBELDE reporters Osvaldo Rodriguez and Jose Alejandro Rodriguez—live]

[Text] [Roque Garcia] Good afternoon, friends. Today's Straight Talk topic will be interesting. We always choose interesting topics, but there are times when we broach issues that truly worry the people. Today's topic will be one of those: The banking policy and how it can contribute to improved domestic finances. To broach this topic, I have invited JUVENTUD REBELDE reporters Osvaldo Rodriguez and Jose Alejandro Rodriguez. Are you brothers?

[Osvaldo Rodriguez] We are brothers, we are brothers but we are not related. However, we do have the same patronymic and matronymic.

Yes Juan Carlos, I do believe this is an interesting topic. The implementation of a single measures will not solve the domestic finance problems. Budget control, taxes, and banking policies, on their own, will not solve the problem. The problem will be solved by implementing a group of measures. These measures must be aimed at gathering the excess currency and maintaining a balance after this is done. It would be useless to gather the excess currency and face the same situation later. Financial stability is important from the banking viewpoint.

[Roque Garcia] And that is what we want to talk about. First, let us think about something. Of the approximately 11 billion [currency not specified] in excess currency, half of that is in the banks. If much of what is still on the streets were in the bank, the problem would not be that big.

[Osvaldo Rodriguez] We must find a solution to those problems. I believe that one of these problems is our current banking policy, or, if not implemented correctly, the banking policy we will have once the new measures are implemented. We must immobilize as much currency as possible. Money in the bank is immobilized money. Money that is immobilized does not circulate on the black market. Money that does not circulate on the black market is money that will not devaluate our currency. Therefore, I believe it would be logical to immobilize as much of that excess currency as possible.

[Roque Garcia] Pepe [nickname for Jose], do you agree with this?

[Jose Alejandro Rodriguez] Yes, I do. However, Juan Carlos, I believe that to solve this problem, to search for the different ways to solve it—we must launch a frontal attack and hit them from every side—we must first change the way the bank deals with the people. That is the most important thing. The bank must begin by encouraging the people to put their money in the bank. For example, interest rates. Something must be done about this. I also believe that we must study some of the measures that have been suggested. Some of the measures suggested are a bit too drastic. I have heard people say....

[Roque Garcia, interrupts] Measures proposed.

[Jose Alejandro Rodriguez] Yes, proposed.

[Roque Garcia] That is correct, that is correct.

[Jose Alejandro Rodriguez] I have people say: No, no, I can have a certain amount of money. I believe this must be handled in an economic manner. Everything has a bit of political lacing, but we must also remember that if we are promoting a savings policy, we cannot create measures that will discourage what we are trying to get the people to do, which is to save.

[Osvaldo Rodriguez] What we must determine is who has the money. How they earned that money.

[Roque Garcia] That is correct.

[Osvaldo Rodriguez] How they got that much money and how they got to save that amount of money.

[Roque Garcia] But that is not the bank's problem.

[Osvaldo Rodriguez] No, it is not. It is what Pepe was talking about. We cannot change the cause to ensure a final objective. The bank's objective is to immobilize the money. What the police and investigation groups must do is find out where this person got all that money from.

[Roque Garcia] The so-called hoarders, for example.

[Osvaldo Rodriguez] The so-called hoarders. Here in Cuba we have many hoarders who earned their money in a very honest manner. Perhaps, but mistake were made, or there was excess profit, or there were state-made mistakes—they made much money, but it was honestly earned. Therefore, we must differentiate in the way we handle these people, or these comrades. But it is not the bank's duty to do this.

The man who made his money illegally does not put his money in the bank. That man is afraid of putting his money in the bank.

[Roque Garcia] We are looking for coinciding points of view between what we are discussing here and what is being said on the streets. There were things broached during the first part of the program which I am not very clear on. What do you think, Jose Alejandro?

[Jose Alejandro Rodriguez] I was very surprised by a....

[Roque Garcia, interrupts] A term he used.

[Jose Alejandro Rodriguez] That is correct. I believe that many people must be thinking about this. He used two words: hoarders and honest. Some people may be thinking that these two words do not go hand in hand.

[Osvaldo Rodriguez] What you say is true, and I believe it needs further explanation. We say that anyone who has a lot of money is a hoarder. There are many people in Cuba who have made a lot of money in an honest way: for example, the farmers. There are farmers who have hundreds of thousands of pesos and who earned this money honestly. Is there a more honest way of making money than by working the land?

[Roque Garcia] I agree.

[Osvaldo Rodriguez] There also are hundreds of craftsmen who have earned hundreds of thousands of pesos honestly. They were able to earn this money because of the price of handicrafts, because of the policies established for these products, and because these products are not taxed. The other day we were talking about taxes. Were these farmers taxed on what they do, perhaps they would not have been able to accumulate the hundreds of thousands of pesos they have today. However, there are others who have hundreds of thousands of pesos and have no way of showing how they got that money. They have not worked a day in their lives and have no way of showing how they got that money.

But there is another problem, you mentioned the banks. That is a mistake; banks do not exist to find out where the money is coming from. Banks are there to receive and keep the money I deposit. Even though one topic leads to the other, this is not the issue we are discussing today. So let us go back to today's topic: A banking policy to ensure that our domestic finances will return to normal. As Pepe said, that policy should encourage the people to save as much as possible. The bank should

have good interest rates that will encourage the people. I want to earn something on what I save. A good interest rate must be established so that the people will go and deposit their money in the banks. The people must trust the banks.

[Roque Garcia] I do believe that people trust banks.

[Osvaldo Rodriguez] Yes, but as Pepe Alejandro said, the banks must not be made into a coercive instrument. A bank is there to receive the money that is deposited. If today I were to take 2 million pesos to the People's Bank and tell them that I want to keep my money there, they cannot go around finding out where it came from.

[Roque Garcia] I would have you investigated immediately. [laughter]

[Osvaldo Rodriguez] But that is not what a bank is for.

[Roque Garcia] I agree.

[Osvaldo Rodriguez] The bank must accept my 2 million pesos and pay me the established interest rates. Today's interest rates are too low.

[Jose Alejandro Rodriguez] It is only 2 or 3 percent. Sometimes not even that. It is 2 percent per annum.

[Osvaldo Rodriguez] Why should we be afraid of someone being able to live off the interest he is getting from his savings? If a worker has been working for 25 and 30 years and he has saved money in the bank in the hope that when he retires he can have some extra money to live off, then why not? It can happen.

[Jose Alejandro Rodriguez] Osvaldo. there are other problems. The banks have a thousand and one ways to encourage people to save. For example, at this moment when there is such a big difference between the excess currency on the street and the lack of goods to be purchased, we can encourage the people to save by establishing a plan by which after they have saved for a specific period of time they can buy certain products that cannot be purchased on the market.

[Osvaldo Rodriguez] Durable goods.

[Jose Alejandro Rodriguez] That is correct, durable goods. For example, if you have saved quite a bit of money, after two years you can purchase a television set or a refrigerator. This would be an incentive. This could be a way of encouraging the people to put their money in the bank.

[Roque Garcia] These are strategies that must be considered. We must keep these ideas in mind, especially today when we are trying to improve our domestic finances.

[Roque Garcia] We are here today with JUVENTUD REBELDE reporters Osvaldo Rodriguez and Jose Alejandro Rodriguez. We are talking about a banking policy that could contribute to improving domestic finances. The bank cannot utilize coercive methods. We are clear on that. However, there are rumors. What can we expect?

[Jose Alejandro Rodriguez] Juan Carlos, you know Cubans. We are always talking about things, about everything. And boy, can we smell things! People see things changing, and they talk about it.

[Roque Garcia] That is the people for you.

[Jose Alejandro Rodriguez] That is correct. However, there are some who want the banks to assume a repressive role. They want the banks to handle social phenomena that must be solved by other means.

[Osvaldo Rodriguez] That is why I said a while ago that we must have trust in the banks.

[Jose Alejandro Rodriguez] Bank policies are policies that have been around for hundreds of years. This is worldwide. These are policies that cannot be ignored. The relationship between the bank and the client must be one of trust and flexibility.

[Osvaldo Rodriguez] They must be very careful about how they treat people. The client should not be kept waiting.

[Roque Garcia] There are times when you get to the bank and you have to wait in line for a long time because it takes forever to complete a transaction.

[Osvaldo Rodriguez] Going back to what you and Pepe were saying: I believe that banks cannot, under any circumstance, put conditions on my money. The bank is there to hold my money. That is it. When I want to withdraw my money, even if I want to withdraw every single peso I have deposited, even 100,000 pesos, the bank has to give me my 100,000 pesos plus the interest accrued. The bank uses that money. The bank uses the money I deposit. The bank uses my money, your money, and everyone's money for its own operations. Therefore, the bank cannot condition my deposits. The people would lose all trust in banks if they begin imposing coercive measures. I believe that those who are suggesting that the banks implement coercive measures are mistaken. Banks must protect the trust the people have in them.

[Roque Garcia] I agree with you. I believe that this is the correct path. We have only expressed our opinions. We are not judges and the banks are not in the dock. We are not specialists. All we are doing is analyzing the problem.

[Osvaldo Rodriguez] We are only observing the situation.

[Roque Garcia] As Osvaldo just said, we are observing the situation and we cannot ignore what the people are saying.

[Osvaldo Rodriguez] There is something else that the banks could implement, which I believe would be good.

I am talking about time deposits. All foreign banks do this. It is similar to something that we are doing here.

[Jose Alejandro Rodriguez] The fixed fund account [cuenta de fondo fijo].

[Osvaldo Rodriguez] No, creation of the fund [formacion de fondo].

[Jose Alejandro Rodriguez] Creation of the fund.

[Osvaldo Rodriguez] This fund is a payroll-deductible account. You set aside a certain amount for a specific time; in other words, you freeze that money. After a specific amount of time, you get your money back with interest. Time deposits are similar to this. The only difference is that you deposit a specific amount in a lump sum and decide how long you want to keep it in the bank, be it six or 12 months, or the time established by the bank. This provides much higher interest, and keeps that money immobilized. These are options that the banks must analyze at this time when we are looking for ways to improve our domestic finances.

[Jose Alejandro Rodriguez] We must establish a balance, and for this to be possible, it is important to have a good rapport between the banks and the people. This rapport must not be tainted by any type of repressive or restraining measures.

Alarcon Interviewed on Economic Reform

FL1701135194 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Jan 94

[Interview with Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, on "special Straight Talk" program by Straight Talk host Carlos Santana Ojeda and reporters Luis Sexto from BOHEMIA; Renato Recio from TRABAJADORES; and Radio Rebelde reporters Gisela Bel Heredia and Roberto Cabada—live]

[Text] [Santana] The second session of the National Assembly of the People's Government [ANPP], which was recently held analyzed and left pending many important economic issues related to the situation the country is going through, especially those related to the internal financial situation. This special "Straight Talk" program will center its debate on these issues, the experience of the ANPP in 1993, and its goals for 1994 with the participation of Ricardo Alarcon de Quesada, member of the Politburo and president of the ANPP.

We will begin with Luis Sexto. Luis, how do you think we should begin this analysis?

[Sexto] Perhaps the listeners are waiting for me to ask Dr. Ricardo Alarcon the first question on what today is the center or the focus of the national debate: the measures that are being studied and drafted to achieve a financial balance in our country. Violating a journalistic rule, I want to leave the most interesting topic for last. On this occasion, I will take that liberty. I want to ask Dr. Ricardo Alarcon about democracy. History shows that generally times of crisis are not appropriate for the exercise of democracy. Nevertheless, in our country, despite our problems, there is a will and a commitment to perfect democracy. As a matter of fact, in the last two years our country has made a qualitative leap. I ask you: Is this a fact that has ended or is it a process, and if this is a process as I believe it is, what is you point of view and what will the future bring?

[Alarcon] Well, Luis, I believe you are absolutely right. For some time now, we have been advancing in perfecting the country's governmental system, or the system of the People's Government which consists in just that: the perfecting and strengthening of our democracy. Traditionally, the classic trend in the world is that when there is a difficult situation, a crisis, or a special situation, democracy is restricted as a natural thing. All countries in their constitutions have chapters on states of emergency. It even includes the suppression of certain rights, etc. Some even include the right to hold elections and the parliamentary function. The parliaments of this world, many of them, went into recess when the country had some difficulties, which, if we compare them with the problems of Cuba, were truly minor problems.

We are doing the exact opposite. In this and in many other things we could say that we follow a nontraditional path. However, I believe it does correspond with our characteristics and needs. In other words, despite the greater difficulties and challenges of the country, we must continue advancing in the people's participation in the government system. To continue perfecting this system means to rely more on the people, summon the people, use their effective, real and systematic participation on what is...[30 second break in reception] ...what their government should be.

This seems like a paradox. Nevertheless, because of its principles, a socialist government or society by definition is the fullness of democracy: a true democracy, a democracy of the people according to the Greek language, where the word came from. This implies the people truly participate in the government. This only happens in socialism, in a society based on equality, fairness, and human solidarity which truly advocates the people's participation in the government as equals and collectively. This is the aspect of principles.

However, there is also a strategic aspect. How can we successfully confront the enormous challenges Cuba faces if we do not do so with the conscientious, true, voluntary, and energetic participation of the entire people. This is something we see in our daily lives: the efforts, the sacrifices of our people, the burden they must shoulder. Only by relying on the people, in my opinion, will we be able to become successful in confronting today's difficulties. All this relates to the issue you left for the end. We try to make the people participate, to make them feel more and more they are participants—as the subject of the society rather than a passive object—in

issues such as the financial situation and many others. This is the essence of democracy. This can only be attained through socialism.

[Santana] I believe that the subject of perfecting of democracy has been thoroughly covered. We can move on to another subject. Renato?

[Recio] Evidently, we need to now touch on the cardinal issue on the streets. I believe that at the last session of the ANPP something unusual happened when contrary to expectations, particularly those abroad regarding the impending approval of an entire package of measures, the ANPP decided to simply discuss, report, increase awareness, and enlighten public opinion rather than make decisions. Evidently, this is not usual. Something else that is unusual in other societies is happening now, a so-called parliament of the workers has been summoned, and those issues which the ANPP discussed regarding the financial reorganization are becoming issues of public discussion, of discussion by the masses, of discussion by millions.

I will like Alarcon to give us his opinion and comments on this process. What does it mean for him? What can be expected from it?

[Alarcon] This is a very important issue because it relates to the expectation you mentioned that existed before the ANPP meeting. There was much talk of measures, packages of measures, etc.

We have to clarify several things. We have been implementing measures such as the creation of the Basic Cooperative Production Units [UBPC], a concrete measure which is already helping to heal the national finances in two sectors where a good part of state subsidies are concentrated: sugarcane and nonsugarcane agriculture. Above all, this should result in an increase in production in both sectors which is the essence, the ultimate goal to heal the finances and improve the economy, rescue the value of the peso, stimulate work, etc. Why? To be able to produce more goods and services, to produce more and better to benefit our economy. Certain comrades have the simpleminded hope that certain measures could be implemented on the assumption that certain measures can solve the problem, as if someone were stupid enough to have the answer to make our lives better in his pocket and not use it. Unfortunately, that is not the case. There are certain things that can and have been done, such as the example I just gave about the UBPC.

We cannot forget, particularly you who work in journalism, that there are foreign ideas, things they try to impose on us such as the expression "package of measures". This is a concept that any listener immediately associates with many packages of measures that have been implemented in the world apparently in order to solve financial problems. I would like to ask if anyone could name a single Third World country that has solved its economic problems, been able to mend its finances, and above all reactivate development and improve the living conditions of its people's with any of those packages of measures. Every example points to the contrary: People are rising up in the provinces in Latin America and even attacking the governor's palace.

Why? Either because a package of measures was not implemented or because it was? A package of measures is associated in the world with capitalism, with neoliberal formulas, with the IMF, with things that are already classics: a budget deficit? Then expenses have to be reduced. How do you reduce expenses in the capitalist world? By cutting social programs, privatizing, and decreasing the role of the state in society.

We have to study measures to reduce the size of the state, reduce the bureaucracy, the burden bureaucracy represents to the state, etcetera. However, this is quite different from diminishing the responsibility of the state—in other words, of society in relation to the people.

We face a great challenge. How to fix the finances, how to implement our measures, those which we have taken and will take in the future. However, we cannot use any of the tools out there. That would be very easy. There would be no need to discuss or invent anything. The IMF measures are repeated everywhere. It is not possible to invent different ones, at least coming from that perspective. However, measures with a socialist perspective, for socialism, have to be created in a socialist manner.

There are general measures which as a matter of fact we have been implementing in the economy, and there have been discussions with the workers in every factory and service center, etcetera. We are doing this not only to collect the comrades' opinions on these problems but also to relate the solutions to each place's specific condition. It is possible to improve efficiency by reducing costs, waste, improving organization, increasing discipline, etcetera, with the concrete action of the workers in each workplace, rather than with a parliamentary address or a decision of a general nature.

Therefore, as part of the process of preparing for the special ANPP meeting, we are now beginning with a process of discussion by the workers. We hope this discussion is well structured and organized. In other words, the first step must be adequate information from the leadership, the basic data on the specific work center, production costs, resources, etcetera, in other words, all the objective material elements of that workplace. It has to be a collective discussion among all workers to see what can be done there and now, rather than waiting for a grandiloquent quote legislative unquote decision. The idea is take steps here and now to help mend the national finances.

[Recio] Some people are claiming that this might be a government strategy to free itself of responsibility in the end when the measures are taken and they affect a sector of the population which has already debated the measures and approved them.

[Alarcon] This brings to mind a friend, an Italian legislator who visited us in October. We went together to see the functioning of the people's government. We attended a progress report meeting in the outskirts of Havana where very complex problems were discussed. The Italian told me: "The president of our parliament has never, never attended a meeting with the people, even less, of course, in a shanty like this. I, a leftist deputy, had never done it either. I have seen here in action what a truly democratic society is."

The people debated intensely, without rhetoric or formalisms. They said what was on their minds about their problems from deeply revolutionary and patriotic perspectives. He added: "This cannot be done in my country because it would end in a great fracas between the people and their deputy, even more with the president of the parliament."

In reality, to discuss the kind of issues with the people....[changes thought] It is still to be seen the first case of a country where the famous packages of measures are implemented and someone has the brilliant idea of discussing it with the workers.

[Santana] I have never seen the IMF or [World] Bank suggesting such a thing.

[Alarcon] Even less, asking the worker's opinions before adopting measures. This also helps to create a mind set. The people get to express themselves and might become convinced of one possibility or another which might not be the most appropriate at a certain moment. First of all, the ANPP—and this has been acknowledged in dispatches by several foreign news agencies which I have read—discussed information on the Cuban economy that is usually handled with more discretion, and this was broadcast from coast to coast to the entire population. Information such as the size of the deficit, the subsidies, etcetera, and unpaid accounts was discussed openly.

This is the opposite of the practice of famous parliaments which perhaps meet for three months with an overabundance of speeches but where the information is not handled as openly. To me, this is very important. I said this in the ANPP meeting, and other comrades also said that other parliaments do not openly discuss packages of measures, but they do so with the millionaires; they do so with the great powers of the economy of those countries. It might be that the unions will not even find out until they read the papers. It might be that certain legislators are in the dark about the packages of measures that are going to be promulgated. However, those who truly control the economy in those countries are made aware and agreements are reached with them. In our case, we would have to do it backwards—our millionaires are the workers, the people—also, even in order to discuss, and this can be done, possible measures which perhaps are not pleasant or well seen by a sector of the population. [as heard]

[Santana] Alarcon, I find it interesting that this process of consultation involves only the workers. However, there are sectors of the population such as housewives, retirees, and students who also have their opinions on probable measures to mend the economy. What is the ANPP planning to do to include these opinions?

[Alarcon] We also have to think about the other sectors of the population. However, there are several basic reasons why this process began with the labor movement. First of all, because it relates directly to production and services. This is the core of the economic problems. Second, because the union movement in our society has to play its proper role.

The union movement is the vanguard of society. It is the class that has to exert its hegemony, its leadership. Because of the concrete experiences of the meetings which I have attended and the ones I have been told about by other comrades, I know they are yielding specific results that can begin to have an effect right now to improve the national financal picture. Of course, when we speak of workplaces, this also includes educational centers. We have included the youth, students, teachers of that sector.

I believe that in a later phase we have to see how to attain through the People's Council the participation of other sectors of the population not organized in unions.

[Bel] Deputies who belong to a workplace also are found in People's Councils and can be of aid in the discussions at that level.

[Recio] I believe all Cubans must be quite clear on this, we must reach a consensus on that no measure can—as you mentioned earlier—solve the national problems right away. In other words, they are not a magic wand or a magician's hat: A measure is implemented and the problem is solved.

In other words, these are measures we have to necessarily adopt to solve part of the problems. Certain measures have already been taken. You mentioned an essential one.

Now, regarding the financial unbalance: There is an opinion out there. I have had to discuss it. However, I would like you to speak about it. Some say that if these measures have to be taken we are already late. They argue that this process of collective discussion is a delay that unnecessarily protracts the implementation of measures which will help solve our problems. I would like you to explain why this is not a waste of time.

[Alarcon] I believe it is necessary. For example, the budget deficit: If an organization or enterprise is inefficient, in other words, it costs more money to the people than what it contributes, [words indistinct] this is very simple: Close it down. However, if in the budget of an organization expenses surpass income they have to reduce expenses to match income. Under capitalism this

is solved quite simply: How many surplus workers are there? How many enterprises are you going to close down? Etcetera.

Is it not a measure discussing the situation of the enterprise, factory, or institution with its workers so that among them, with the data at hand, with the same openness with which the information on the national economy was disclosed, they can discuss and understand what needs to be done in case there is no other alternative but to take certain measures that affect them? What measures can they, the workers, the owners of the society adopt to mend their finances, to reduce costs and make their work more rational? This is why I say that this discussion process is an extremely important measure, or a total of very important measures we hope will be adopted throughout Cuba.

On the other hand, I believe that it is somewhat simpleminded if you were to say that by implementing this measure from the top, beginning tomorrow, the situation will begin to change. We are not sitting on our hands, thinking about measures. On the contrary, they are being adopted. For example, we mentioned the UBPC, but there is self-employment, and even the famous decriminalization of foreign currency. These are measures that also effect the national finances but which by definition did not require a process of consultation, of increasing the awareness of the people. As soon as we understood how to implement them, we did it even before the ANPP met.

There are cooperatives that are costing less than a [state] farm in certain places, that have attracted workers—in other words, there are healthy signs—and have reduced costs. There are concrete results you can see. Nobody has refrained from implementing measures that are clearly defined, measures that have clear and immediate implications. What is important here is to elevate the morale of the workers. Fidel pointed out that work is attained through pride, honor. Well, we have to appeal to that pride and honor and consolidate them in specific measures to be taken at each place. This is one of the most important things that can be done. This would not be based on that famous package of measures, but would be based on something we can do here and cannot be done elsewhere: to appeal to the workers and frankly discussing with them all these problems specifically, calling them by their right name and not using general terms.

[Recio] I would like to ask Alarcon about an issue based on the experiences other countries have had when they mix these two concepts: democracy and the economy. It is known that in most of the countries implementing neoliberal formulas of economic reorganization and readjustment, democracy, the functioning of democracy is hampered in many cases and there are sad, regretful events. However, based on Alarcon's words on the previous program, democracy in Cuba, the development of our democracy could be a force to possiblyt help the economy recover. I would like Alarcon to tell us about this issue.

[Alarcon] This has to be developed to its fullest extent. I have seen in some assemblies....[changes thought] For example, in terms of the two issues of the greatest importance in this society: the surplus administrative personnel—of workers not directly linked to production, and the problems of lack of controls which result in lost resources, crime, etcetera. We can find places, such as I have seen in some of these meetings, where the workers are of the opinion that there is surplus administrative personnel. Sometimes this is the result of our methods, mechanisms still in effect which I believe we have to eliminate or change. At times, we demand much unnecessary information or work which implies repetition of work mechanisms at the base level. This generates bureaucratic positions. In a factory there might be need of productive work, a space for those adminsitrative workers. It is not a matter of throwing anyone on the streets. I am thinking about the specific case of La Corona factory where we discussed these issues with the workers on 12 January.

On the other hand, although at times we have an excess of administrative mechanisms which are there to exert control, it is evident that control is not one the best functioning things in our society. There are way too many problems in this area. In that meeting the workers stated that the union and workers should and ought to play a much more important, active role. If the organized workers discuss things collectively and democratically, and establish specific principles and work standards, they can replace a bureaucratic mechanism. Not only that. They can implement a much more effective mechanism in terms of real control and committed discipline and more definite order.

Now, I believe that besides all of this, our country has confronted a difficult situation, a situation of blockade, of confronting the abrupt changes in our foreign trade relations—the things we know shaped the special period. Likewise, the country attempts to resist these setbacks and to develop, while preserving that which I believe reflects the broadest national consensus. I do not think anyone here is crazy enough to wish for a return to private medicine. No one here is crazy enough to hope for Cuba to have the situation of the richest capitalism country—the United States, where today they are debating if 40 million Americans are finally going to have some degree of paid medical coverage; paid, because not even in their dreams can American conceive of free medical care. If socialism did not exist, Could any Cuban conceive of the barestl possibility of upholding such a vital accomplishment, which is reflected in the low infant and maternal mortality rate, and a number of things which are truly dear to most people? Could anyone be simpleminded enough to imagine this would exist in Cuba if our socialism did not exist? Evidently, not.

The same can be said of education, elder care, and our entire social security system. To preserve all that, to save all this requires the effort and sacrifice of all. We have to turn this hope into a daily thing. The struggle for these

hopes has to become a real, daily, permanent thing. This can only be done with the support of the people. This is not going to be the result of decisions or conclusions reached by a sharp, well-intended, etcetera, group of people. This requires the understanding and support of the entire population of workers of Cuba. This is why I believe they are inseparable. However, given our type of democracy and the conditions Cuba faces, it is not only a matter of principles but a philosophical reason which should be our political hope: to perfect our political system. This is the only possible strategy to really maintain the mobilization and struggle of a people who have resisted heroically and have amply proven that they will be able to confront and overcome this entire challenge.

[Cavada] A question in connection with this idea and even that of the Parliament in the Work Place: At the beginning many perhaps might have thought that a tobacco worker—such as you mentioned from La Corona, or perhaps a metallurgy industry worker—could not give his opinions and decide or propose things for the economy or the future economy of Cuba. However, I believe that in the practice it has been different. This is proven by another of our accomplishments in the last 35 years: the educational level of the people. I also was at the tobacco factory on 12 January, and it was truly impressive to hear a tobacco worker—in charge of the tobacco refrigeration unit—speak of the law of value, analyzed scientifically what it entailed to increase production, what products to increase, which to decrease, and even cited how harmful elements in other countries collect the excess currency.

This is why I think it is a very healthy and logical practice, on the part of the CTC and the ANPP, to summon an extensive debate. What limits or points might it reach? How much longer might this involvement of the people last after the special session of the ANPP?

[Alarcon] I believe we must continue it. I believe that presently it is directly tied to these issues, but it is also part of the process of perfecting our system of government. I believe that the CTC has to play a key role. It should be maintained as a practice, system, and as a method of management, organization, and control. The effective, real participation of the workers in the economy is consubstantial with a socialist democracy. I do not believe that in this or in the case of the People's Councils we have reached perfection or anything like it. This is why we speak of perfecting. This is a continuous process of seeking how to do things better.

You gave a great example, that of the comrade in charge of the tobacco refrigeration unit. Unfortunately, it would have been surprising to find such an example in Cuba several generations ago. However, this is now common everywhere. We have a people much more highly educated, a cultured people, a people ready to exert further their rights and social function, their active role in society.

[Sexto] I want to change the focus from perfecting the system. These measures being discussed nationally are to solve immediate problems such as the excess currency, financial unbalance, etcetera. Are these measures not also part of a necessary effort to correct our economy? Can we speak of political correction without speaking of economic correction?

[Alarcon] I believe that—we have said it several times—they are deeply interrelated. I believe that, first of all, we cannot separate the economy from politics. We have a socialist perspective. The struggle, particularly in a blockaded country, a country with our difficulties, or even without those difficulties, to build a socialist society—a society based on equality, justice, and fraternity—also has a material, economic dimension. This means a need to produce more goods and to provide a higher quality of life to the people, but above all to fulfill a group of ideals, ethical aspirations which have to do with the conscience—the conscience we effect politically.

I believe that although we are highly involved in the reorganization of our finances, the economic struggle in general, and in confronting the special period, these mechanisms, these methods are not designed for this struggle alone. Their effect and lifespan should not be limited to this period. I am convinced we are going to surpass the special period. I am convinced that we are going to put our finances in order, that we are going to successfully resist this phase and make progress. We will also continue making progress in the perfecting of our political system which is also essential in order to continue the economic development and the development of a socialist economy and society.

[Sexto] On what do you base the hope that we are going to surpass the special period, that we are going to overcome this entire situation?

[Alarcon] I do not want to sound overconfident or anything like that. However, without stressing the essential need to continue struggling hard....[changes thought] I said this to the deputies when I wished them a happy new year. This relates to Marx's famous quote: Happiness is the struggle. I told the deputies: I wish for all of us to continue struggling united and hard.

I believe it is not a waste of time to value the feat of our people. For four years we have been living in a world where all its experts vainly predicted our death. These also have been very difficult years where we have had to rethink a number of things, seek new markets, and abruptly reorganize our economy on completely different bases. I believe as hard as the problems are there is something we cannot forget: These four years have demonstrated our people's capability to resist. We cannot deny that there are people who may have weakened. That is what the entire criminal policies of the Yankees, the whole blockade seeks. They seek to attract peoples, tear away certain sectors of the population from the patriotic and united attitude the immense majority

of the people upholds. I believe that our people's unique show of resistance is truly significant. In the last four years, several governments have collapsed under less dramatic conditions that those faced by the Cuban Government. They have fallen like a house of cards. There have been many changes in the world, even people with frustrations and lost illusions who now wish for the socialism of certain European societies.

There have been great changes in the world. And this small country, located in the worst of places, is the only socialist country that is far away from the former socialist bloc and too close to the empire. Yet, here we are, and it is even possible to discern signs of progress amidst this crisis. Tourism is growing. In Cuba, tourism is growing at one of the highest rates in the world, if not the highest. The accomplishments we have attained in certain fields amidst such an adverse situation cannot be ignored. I believe that in the measure that that spirit, that will is channeled, organized, and boosted we have the possibility of showing modest, limited signs of the beginning of a recovery in 1994.

One example is the sugarcane harvest. There is the real possibility that this year's harvest will be more efficient than last year's and a little higher in terms of volume of production. The sugarcane harvest categorically proves wrong those who believed, imagined—and much was said abroad—that Cuba was inexorably going downwards. For us it is an essential, highly significant thing to take this step with the limited resources Cuba will receive, but also because it confirms the righteousness of the effort we all are conducting. Many other examples could be given: the entire science sector, scientific research, biotechnology, the pharmaceutical industry, etcetera. Step by step, despite all the obstacles and the immense competition with the transnationals in this sector, some of our products are making headway because they are unique, and also because they are useful and effective and our production capacity has grown. And all this takes place amidst a truly difficult situation. These are the elements for a justified optimism.

[Sexto] One quick question. I can see that your cautious optimism is based on the capability for resistance and work of the people, but I also believe that you trust the strategy that Cuba is following to overcome this, in the success of this strategy.

[Alarcon] Of course. I am cautious in terms of the concrete results we might see. I am totally and completely confident in the correctness of our strategy and the capability for resistance and work of our people.

[Bel] In all these ongoing debates and in the people's mouths there are highly generalized terms such as subsidies, taxes, confiscations, etcetera. You spoke of the need to work on the conscience of the citizens, of acting politically. Are there plans to provide new programs to contribute to organizing the thinking of the masses in this regard?

[Alarcon] I believe that in this we all have to contribute with our grain of sand. I believe that what the unions do, what we are trying to do in the people's government, what you do in the press is using every mean to reach many people, and serving as tools for reflection and analysis by the comrades. I believe that we have to see these things as issues on which we all have to become educated collectively by confronting opinions, views, in the search for elements, etcetera. These are issues that in another country would be the exclusive realm of the intellectuals, the experts, or the powerful. In our case, the same thing happens: The owners have to decide on the issues, but here all of us are the owners. We have to assume this role fully. I believe this is not easy.

This is not a simple issue. This is why I answered positively when I was asked earlier about the relationship between the economy and politics after the special period and the present financial situation.

I believe that in a society such as this every worker should aspire to become a connoisseur of details, of costs, of efficiency, and of all the economic fields which are not the responsibility alone of the manager hired by an owner. Those people managed very well to keep their enterprises running efficiently because they sought something called profits. We do not have this now. There is no one profiting from our sweat. Therefore, we have to be more creative on how we assume the role of owner—of owners in a more noble sense, more open, and including the entire people.

This is very complex. It is not a matter of becoming specialists in a limited fiield of action. I believe that it is also very important to develop a collective awareness in society.

[Recio] It is going to be one year since the elections of 1993, a highly significant moment in the history of democracy in Cuba and Cuban history itself. Alarcon is perhaps the best person to answer the following question: A year has gone by. Is that overwhelmingly majoritarian support of socialism, the revolution, and the fatherland still there? A year later, what changes have taken place in the awareness of the people who did not understand well enough the essence of those elections and its results?

[Alarcon] I deeply believe so. I believe that in the measure that times goes by, this cultivated, educated people understand even more that what is at stake is the defense of socialism, which is everything for us. Even our national identity, the possibility of the existence of this land as a sovereign and independent nation is inseparable from the project of social justice which the Cuban people have undertaken. I believe this is the explanation of what we commented on earlier: Why our people have resisted so hard for four years of the special period while others have not.

Regarding the second question: We will, of course, always have detractors and this honors us. The day those who live in a pseudodemocracy, in a society that uses terms as noble as this one to disguise the opposite, to

hide the lack of equality and therefore the lack of the real authority of the people over its government, see our system as praiseworthy would be reason enough for us to conduct a self-examination to find out what are we doing wrong.

I believe that in the political aspect, in general, the defense of Cuba's revolutionary project is growing each day throughout the world because it is precisely an alternative. As long as there is a country which, confronted with immense challenges, maintains alive ideals which for many people are but dreams of a more noble world, a world based on equity, justice, fraternity rather than profit, exploitation, and individual selfishness which is capitalism, as long as this exists, there is a threat to people who exploit and discriminate in this world, as all this keeps the people's dream alive. In the political sense, this should be reflected more each day in a system of government that is genuinely, truly, and authentically of the people, one that is really participatory. I believe that despite the enemy campaigns, this is a concept that continues to become more deeply rooted, continues to progress.

I mentioned the other day an Italian friend who saw something he cannot do in his country. Here it can be done and will be done more and better each day precisely because we have a just society and a people aware and capable of sustaining and preserving that society, a people who have a great revolution made by the people and worthy of the people.

[Recio] There is one more question: A special session of the ANPP has been announced. What is expected of this special session? When will it be held?

[Alarcon] It will be held at the appropriate time—here I am returning to the diplomatic language of my previous job [laughter]. I believe that it will happen early in the year. The session should reflect what was decided in December—the continuation of that discussion which I am sure will be held under better conditions, with more preparation, more in-depth analysis, accompanied much more by the people as a result of this process in which the people are participating. I believe it will be held at a time when we are more on the offensive. The people are not only talking about finances, but they are acting on them everywhere across the land. At the time the ANPP meeting is held, I am sure that this process by the unions and ANPP deputies and delegates will have attained much more dynamism and strength, and this will be reflected in the ANPP meeting.

Pedro Ross Interview on Open Dialogue

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[Interview with Pedro Ross Leal, secretary general of the Cuban Workers Federation, by Open Dialogue host Soledad Cruz—live in studio]

[Text] [Cruz] As we had announced, Pedro Ross is back with us. Many listeners have called in to ask questions that remained unanswered during the Open Agenda program. This whole week we have been following what I have called Parliament in the Work Place. This is a topic of much interest in the country because our future and life, and the country's future depend on this process. That is why we are all anxious to know how this process is going to be conducted and how we can participate. This is what I believe is most important. This is truly an exercise of participative democracy and is very important because the country is experiencing difficult times and strong measures must be adopted. In light of our past way of life, it is necessary that the people understand the process and contribute to it.

Welcome, Pedro Ross. I would also like to thank Pantoja [not further identified] for his help in getting the program organized. Pantoja has some 19 questions to ask, and I myself have five questions sent in by Open Dialogue listeners. However, I believe that the first thing we should do is ask you what you think has been the most important aspect of this first week of meetings.

[Ross] Good morning to the listeners of this very much-awaited Saturday program. Well Soledad, I believe that the seriousness with which the workers have broached the various issues up for discussion in the Parliaments in the Work Place are broaching these matters has been the most important aspect of this first week. This is not only important, but encouraging. We have seen a conscientious patriotic sense. I am describing it as conscientious because the people are aware of what is being discussed, what it entails, and of what they are proposing. They are not proposing measures to affect others. They are aware of the fact that the measures they are proposing entail some sacrifice for them. I have heard workers, people who do not earn much, say that we must analyze the issue of price increases; I have heard them say that the free public health and education systems should not be eliminated. More than 30 percent of the country's budget goes to cover these two services. For example, there are provinces like Pinar del Rio—I got back last night from Pinar del Rio where Ricardo Alarcon and I attended a meeting with provincial leaders—where 70 percent of the budget goes to health and education.

I have been amazed at how the people are participating. The people are preparing for these meetings. They are reading the editorials published by TRABAJADORES, they are listening to the opinions expressed by reporters and leaders. Ricardo Alarcon was interviewed on this station on this topic. The National Assembly of the People's Government [ANPP] was broadcast for everyone to understand all that is being done and what the goals are. These meetings are an extension of the debates that began at the ANPP; however, we are not rehashing what was said at the ANPP. Much creativity is observed at these Parliaments in the Work Place.

This process we have begun is basically aimed at giving the workers the opportunity to analyze the economic

situation of their workplace, their enterprise, their establishment, their shop, or their subsidized unit—if they work for a subsidized unit—and for them to suggest how they can improve the work and how they can change the unprofitable status that most of the enterprises have. As everyone knows, only 31 percent of the country's enterprises are profitable. If we continue to experience this situation, the country will not be able to overcome its problems. No matter how many measures are adopted, no matter how much excess currency is taken off the street, no matter how many taxes are implemented, the situation will not change if we do not reverse the economic situation of our enterprises. We must contribute to lower budget expenditure. We cannot continue to spend more than we have. We have been spending more than we have.

[Cruz] I have always compared the phenomenon of our economy with a basket or a sack. It is full and you keep pulling things out. If you do not refill it, it will eventually be empty. This is basically what is happening with our economy.

[Ross] I compare it with a cow. If you milk the cow time after time, but never feed it or give it water, it will get sick and eventually die.

[Cruz] One of the questions we have received is: How long will the streamlining of the economy last? Will it be a month? Will it be a year? The rate at which the economic measures are adopted worries me. I have heard some people say that they are worried because they do not know how long this discussion process will last.

[Ross] The streamlining of the economy must be a constant process. It is a process. The economy must not only be streamlined, but also healthy. The economic situation of our production and service enterprises and the subsidized enterprises will depend on our having the necessary resources to fulfill the plans the country has. Therefore, this is something we must constantly strive for. This process opens a new cycle of economic education for our workers and administrators. We must learn that we will only achieve what we want by working efficiently. If we have one peso and invest that peso, we must find a way to double our investment. This is what will allow us to expand. To put it simply, we are seeking to make more than we invest. We must be consistent in this.

We believe that this process will be extended through late February, maybe early March. We must prepare well. We do not want this to be a marathon. The idea is not to meet a deadline, saying that we have talked to the workers and they agree with everything. We are not reaching agreements. We are making suggestions. We are analyzing problems, and the people are making recommendations. These recommendations are gathered and those that can be implemented immediately at a work center are implemented. The people want to know when the measures will be implemented. We must begin implementing the measures immediately, especially those measures aimed at increasing economic efficiency, stopping squandering.

[Pantoja] To do something like that we do not have to wait for an agreement to be reached.

[Ross] That is correct. And this is important. What worries the people the most are those measures adopted to streamline finances, to streamline our financial situation. However, we can streamline, but if we do not solve the economic efficiency problem, we will end up with this very same situation. This is the core of the matter.

[Cruz] The people on the street keep asking me one question. Social justice is nothing more than equal distribution of the money made. The question is: How are we going to make money with so many problems? What can be done to increase production? Can we produce more despite the problems we encounter with the inefficiency, mismanagement, and poor working methods we have? These problems have caused our production to decrease. Decreased production is also due to the collapse of the socialist bloc and the blockade we are experiencing. However, part of this problem is due to our inefficiency.

[Ross] That is the problem. The socialist bloc has collapsed. That is a fact and it created this problem.

The sugarmills are operating. We must work that sector with efficiency. Our country's economy depends on this. During the last session of the ANPP. Fidel encouraged us to continue producing sugar, to ensure that every single pound of sugar is produced.

[Pantoja] To produce with quality.

[Ross] To produce with quality. Yesterday, Comrade Carlos Lage was in Camaguey and talked about this. We depend on our sugar to get the oil we need to cover our electricity needs, to operate our factories, to operate the transportation we have. There is talk that this year, 200 camels, as the train-buses are called by the people, will be added to the system and these need fuel to operate. That fuel is bought with the money we get from our sugar. Sugar brings in most of our foreign exchange. We must produce sugar efficiently. Our ton of sugar must yield more. If producing a ton of sugar costs us 200 [currency not specified] and this is how much we sell it for, then we are getting nowhere. If producing it costs us 150 [currency not specified], then we have made 50 in profit. But if we produce it for 100 and sell it for 200, then we have 100 profit. You know that 100 is more than 50. That is what this is all about. The idea is to ensure that the available resources are properly utilized by the sugar industry and in the canefields and that we work efficiently. The most sugar possible must be extracted from every piece of sugarcane that reaches the sugar mill, and this must be done at the lowest possible cost.

The same happens at La Corona tobacco factory we visited the other day. It was the workers who told us what

was happening. The workers told us that 750,000 cigars are not being produced because they cannot get the cover leaf, good-quality cover leaf. The cigars that are produced are for export purposes. However, one and one half the quality leaf needed for the cover was being used to produce the cigar. The leaf reached the factory; however, it was not used. Perhaps it was damaged in the process because it was not treated properly.

[Cruz] It was broken.

[Ross] It was broken. Perhaps the leaf selection process was not properly carried out. Perhaps the wrong type of leaf was sent to the section producing another brand of cigar. Once this occurs, the leaf must be sent back, and in the process, it is damaged or it is never returned to the right place. Many of these things happen. Therefore, it is not the same to produce 5.5 million cigars, as the workers did in 1993, as it is to produce 6.250 million cigars.

This is what we are talking about. Whatever is up to us to produce more efficiently, we must attempt to do with more efficiency. That is the heart of the matter.

[Pantoja] There is something you mentioned a little while ago. Soledad talked about the need to produce. If there is no production, there is no welfare and there are no material goods. We may have the money, but if there is no production, there is no merchandise; and if there is no merchandise, the people cannot spend the money, and that money stays in the people's pocket.

[Cruz] We are at a standstill and this situation must be changed.

[Ross] I believe the statements Carlos Lage made yesterday are very important. They bring us hope; they represent a light for us. Lage said last night—I saw him on television and later heard him on the radio—that there are industries that are beginning to produce. Some of these industries began producing a few months ago. But he said that there is some reactivation. Some reactivation, not much, but that we are beginning to see some reactivation of our economy in the industrial sector.

[Pantoja] Tourism for example. Tourism is a source of income for Cuba.

[Ross] Tourism produces a profit. That profit will be higher to the extent we increase its efficiency, reduce its costs, and increase its quality as much as possible. That is what it is all about. For example, education is a budget sector where we allocate a myriad of resources. We have to try to do a quality job, and we have been working toward that goal.

This process will also analyze this issue: The quality of the education and the maximum use and improvement of educational mechanisms in order to not squander the budget. We have to try to eliminate from the budget those expenses which are at times superfluous, are made unnecessary, or are squandered.

[Cruz] There is a question regarding all the information I have heard on radio and television, and it is in connection with a query by a viewer and a listener: If the measures taken are anti-popular, what is the state going to do?

And I want to comment in this regard: I believe that one of the things we have to attain is to educate everyone on different principles. I find it frightful how we have developed a mentality of rights, yet speak very little of responsibilities. We do this with almost everything, even with our children and parents. Children have this and that right given to them by the constitution as a result of their condition as children, and the same is true of youths. However, nowhere does it say what the children's responsibilities are to their parents. This is one example.

The same thing happens with the state and Revolution. Everyone has a right to education, everyone has a right to health care, everyone has a right, and rights, and rights—a right to retirement benefits, to work, to receive help, to everything. What about responsibilities? What are we going to do to fulfill them?

There are people concerned with anti-popular measures. We have to see what we define as anti-popular. When I speak with people on the streets from diverse sectors throughout the land, the people fiercely criticize egalitarism and that the people who do not work have the same rights or more than those who do. All this is criticized. There are many people from generations that experienced capitalism, for example this lady who wrote to us, Ines Pacheco Castillo. She stressed this in her letter in which she poured out all her opinions on this issue. She experienced capitalism. She said: "We have to understand certain things. We cannot continue shaping people with every right since birth and yet give them no sense of obligation."

In this sense, I believe that there are education and health issues which I think are an extremely important accomplishment and should be kept free. However, we must also give the citizens, as early in life as possible, a sense of responsibility. It is incredible how books, which could have been preserved, and windows, and school chairs have been broken. and how the schools are not cared for in the manner they should be. I do believe that there should be tax measures to cover when a book, a window, or social property is damaged. It is like the state is an open pipe that can provide all these things.

[Ross] I believe that until the collapse of the socialist bloc many thing were provided too generously and that generosity is precisely what provoked our actions. This is my opinion. On the other hand, now, having to confront the current problems of the economy, the situation of the economic crisis, all these problems, and even the capitalist crisis, the world economic crisis, this affects us more today because it is undisputable that we have to fend for ourselves; thus we feel these crises more. We do not have the support or international aid of yesterday.

Logically, all these things make us do this, change our mind set, think differently about problems, because we are the ones who have to solve the economic problems.

[Cruz] What also happens is: We will have to seek ways....[changes thought] I want to know if this has been discussed as this viewer commented: If the measures are anti- popular, what is the state going to do?

[Ross] What are we all going to do. I do not believe that the measures need to be applauded. They entail an amount of sacrifice but are aimed precisely at protecting the people, at protecting our accomplishments.

I asked this question in Pinar del Rio and repeated it at La Corona: "Do we close the Hermanos Ameijeiras Clinical Surgical Hospital? If we do not solve this, we have to close the hospital. Do you want it to close?"

This was followed by everyone's spontaneous protest to the contrary. I asked: "Do we close half the schools in Cuba?" What is happening in the rest of the continent and the world? We have a special situation, have a blockade which makes our situation more difficult.

[Pantoja] Retirees are conducting a strike in Panama right now.

[Ross] There are crises in every country, and the solutions being implemented are truly anti-popular because in those countries the rich do not stop being rich. On the contrary, the people become poorer. Here we share the poverty among all of us.

[Cruz] Except the profiteers.

[Ross] Except the profiteers. Yet, there was a worker at the tobacco factory who told Comrade Alarcon: "You, who represent the state, are required to take drastic measures against the profiteers. We demand this. We are going to solve our problems but you have to solve that problem."

The people, the workers are already demanding this. A young tobacco worker said there: "Why, I who spend eight hours making tobacco, when I get to the corner just outside the factory, I meet other youths like me selling pullovers and shoes, bartering, and having drinks that are impossible to find anywhere—exhibiting the result of the profiting, of the theft, of the black market.

[Cruz] This also has to do with something Ines Pacheco said in her letter. We have to analyze everything in depth because we need to take a package of measures. We have to attack the problem from many different angles.

[Ross] Yes. It has to be a package of measures. We are hearing proposals about diverse measures, but not all measures will be adopted.

[Cruz] Of course.

[Ross] From that pool of measures we will have, we will adopt the most viable and clever ones. Fidel said: "The most clever, the least likely to hurt our people." Everything we are doing we are doing to solve the dire problems our people confront today.

[Cruz] This comrade in her letter wrote about one of these problems. She said, regarding our commentary last Saturday [15 January] about the lack of service workers in hospital and other places, that someone gets more money by simply selling his quota of rum, coffee, and cigarettes than by working 30 days, and he does this without having to work. If the profiteer was unable to profit, that person would be forced to get an available job. This includes people without a job as well as retirees who want to improve their income.

[Ross] Thinking such as this teaches us a lot about what needs to be done.

[Pantoja] Although profiteers are preparing for these measures about the money and are investing in properties, buying this and that.

[Ross] Properties also can be confiscated. Properties bought with ill-gotten money can be confiscated.

[Cruz] This is precisely one the questions we received: How can we tell money is properly or improperly obtained? Do you also get this question?

[Pantoja] No. There are other questions.

[Ross] Our people know. Everyone knows who is who.

[Cruz] That is right. We all know in our block who is who. We know who got a car and new clothes overnight and does not have a relative sending dollars.

[Pantoja] I have here a listener: Ruben Jeronimo Rodriguez, 501 25th Street, between H and I in Vedado. He proposes, as part of this economic efficiency struggle, an analysis of the possibility of making work center managers a person nominated and elected by that work center's workers, something similar to what is being done in the Basic Cooperative Production Units [UBPC]. In the UBPC the state bodies make a proposal but if the members disagree they can nominate a UBPC worker, and he becomes the manager. In other words, a nomination is presented to the UBPC but if the workers disagree they select another person.

[Ross] This is the nomination of a member to the UBPC.

[Pantoja] Ruben Jeronimo Rodriguez proposes that this also be done in the work centers.

[Ross] In the work centers we already have managers. The workers also have the right to remove a manager who does not make the best use of resources. This is a right all Cuban workers have but we do not exercise it.

This is a matter in which our unions have been lacking, have not acted, have not exercised that right. Whether or not to elect them is not what provides the appropriate person. There is a selection process for state enterprise managers. A selection process takes place. Now if the

person does not perform appropriately, the work center always, always [repeats] has the means to challenge this and demand that he be removed. It is necessary that where the absurdities exist, where there is profiteering and two-handed theft... [changes thought] In a small work center particularly, where theft keeps everyone on the verge of barely making it, everyone knows who the thieves are. The manager must be the first to know, and if he is not capable of figuring it out, then he does not deserve to be the manager.

[Cruz] You have made reference to this many times in the past few days. There is the question of what role the unions must play in this situation. What is happening? We have lived for 35 years in a world where the Revolution is all of us and each of us. However, not everyone's functions have been clearly established during this process. Yet, the society has made progress through diverse means. Nowadays, we have a majority of good revolutionary people, but this crisis has also exposed the spiritual poverty of many. The difficulties of the people require a precise, appropriate balance. I believe it is time for the union.... [changes thought] As you mentioned, where there is a problem, the workers are fully entitled to express themselves.

[Pantoja] I have here a question by Jesus Fernandez Beltran, Consulado Street 111, Havana City. He asks: Does the upgrading of an enterprise's category increase the salary of the cadres, but not of the workers? Is there any official word on this? Can this be done now?

[Ross] There are certain entities where salary increases for workers and managers have been implemented; particularly, for workers. There was a major salary increase throughout the tourism sector. In joint enterprises, the personnel rosters have been adjusted. More is therefore required of the workers in terms of workload, as well as in level of professionalism. We have stated that as more is demanded of the worker, there must also be a salary response. The life of the nation does not stop when confronted with a situation such as this. While we are correcting things over here, we are also making progress on the other side, where we can. We must accelerate progress there where it is needed.

I do not know what specific case he is referring to. The goal now is to adjust, to free the economy and services from the heavy ballast of bloated personnel rosters, in the production sector as well as in administration. This cannot be done hastily. It must be studied. We must clearly explain the entire rationalization process. I answered a question on the Open Agenda program, that this must be accompanied by active union participaton. This will always be done with individuals in mind: those staying and those who must relocate, particularly those who must relocate because they are the ones who face the greatest conflict.

[Cruz] I am concerned by something that I know also worries many people, because I have discussed this with friends and listeners. I am very afraid that under this premise of protecting the workers and the people, we will continue promoting paternalism. This worries me a great deal because I already know many cunning people who are saying: "I can bypass that; no problem." This worries me because I believe that we have to at least once, in this society, ensure that good things are for those who really work and contribute to society. This is why I support helping people rather than subsidizing products and activities. This is why I believe people should be subsidized. If your income is very low and you have to do certain things, you can be given a special card. This is done in all countries of the world, even the capitalist countries. You pay less for transportation and so forth, but the other prices are high. There are many who think that because our people are so fine, the Revolution so good, that those who do not work, who do not make an effort to get a job, will continue to live off those who do.

[Ross] Soledad, it is going to be very difficult to ignore our humanitarian, paternalistic nature. What we can do is ensure social justice. In a TRABAJADORES editorial we said that our commitment is to the good worker, the worker who does his job, the worker who fulfills his social duties. We have no commitment to slackers. I therefore believe that what you say is fair. The good workers and the people do not believe that the Revolution will abandon anyone. But we must remember that the Revolution is the people, the people who work, the patriotic people.

[Cruz] I have here three questions that have to do with the state. Perhaps you have questions as well.

[Pantoja] Similar questions and different questions.

[Cruz] The people have been somewhat shocked by what they heard about the profitability of the enterprises, the budget, the budget deficit, the enterprises that contribute to the deficit.

[Pantoja] Sixty-one percent of the enterprises.

[Cruz] That is correct. The people are demanding that the state set an example, and I believe the people are right in making this demand. The people have asked the following question: Will the workers be told how much foreign exchange the enterprises use up?

[Ross] They must be told.

[Cruz] How does the government plan to save money? Has the government decided on the measures to be implemented or is it waiting for the people to express their opinion?

[Ross] No measures have been drafted. All possible measures are being studied. Comrade Fidel said quite rightly that no matter how good a technical measure may be, if it is not understood and supported by the workers, it cannot be implemented. On the other hand, the workers themselves are quite capable of coming up with ways to solve the problem, ways that not even the academicians can think of.

I will give you an example and you will see that it is the same as one of those suggestions you jotted down in your notepad. At the cigar factory, workers suggested that instead of giving the worker days off for illness, that ten days a year be set aside for sick leave.

[Pantoja] Jose Miguel Quinonez Matos of El Vedado has suggested 10 days a year.

[Ross] That is correct. The workers suggested 10 days. During the days of capitalism, the worker got nine days sick leave. The tobacco workers have suggested 12 days of sick leave a year. They also suggested that if a worker does not use up his sick leave, he be paid for those days at the end of the year. That is a suggestion. I am not saying that it must be implemented, but it does sound interesting. I do not think the academics had thought about that.

[Pantoja] This also gives you an idea of how the workers are searching for ways to save, and to put an end to paternalism. Many of the workers get medical certificates to cover up many of these things. The health congress discussed....

[Ross, interrupts] Soledad was just talking about what La Corona workers had suggested. If a person gets sick and is going to be out for more than the 10 days, he can take sick leave. Then he will be covered by social security. It will be up to the social security people to investigate the worker's economic situation. His family must also be investigated to determine whether they need this help. There are families with only one income and there are also families with four, five, six incomes. There are people who do not have a single centavo in the bank, and there are people who have money in the bank and can cover part of their out-patient expenses.

[Cruz] Of course.

[Ross] That is what the workers suggested. They suggested that a sick-leave system be implemented. They suggested even more sick leave days than those given in the past. They suggested 12 days of sick leave a year. The citizen who wrote in suggested....

[Pantoja, interrupts] He suggested 10 days?

[Ross] He suggested 10 days. Nothing specific has been decided on. However, there are some measures that can be implemented at the work centers. These measures can contribute to improving production, and that is important.

[Cruz] And these measures can be implemented immediately.

[Ross] Yes, they can be implemented immediately. There are measures to correct the problems we have at the work centers. There are measures to better use what little resources we have. If there was ever a time when we had to put our resources to best use, it is now when we do not have that much. We cannot squander.

[Cruz] Excuse me, I wish to say something to our listeners. Our telephone is ringing, but we are having problems when we answer it in the studio; so please call 79-1903. I repeat, the telephone line that is working properly is 79-1903.

[Pantoja] Pedro, from these TRABAJADORES editorials, the two most recent editorials, your statements at the various meetings, what I have heard some provincial union leaders say on the radio, I gather that the labor union's supervisory role must be expanded. The labor union must confront these problems at the work centers. The labor union must be given more power, or stress the power it has always had and have the union leaders use it.

[Ross] The labor union must use the power it has. The workers must use the power they have to help the country.

[Pantoja] Yes.

[Ross] To help the country and to help themselves, which is the same thing. The interests of the workers and our people are at stake. Socialism is at stake. The social progress we have made throughout the past 35 years are at stake. We must defend this and we must defend this with what we have.

[Cruz] I think this experience is very important. It is not the first time something like this is being done. For many years whenever an important congress was held, whenever a change to the Constitution was made it was always discussed with the rank and file, with the people. However, I do believe that the union and the workers should work hard to ensure that the idea of a parliament at the work place is not lost. The workers must always feel that they have the right to ask and demand explanations of what the administration is doing. This right must not be lost. We have returned to what I consider has been the backbone of the Cuban revolutionary process. We have returned to the days of direct participation of the workers in the decision making process.

[Ross] The workers are the owners of these enterprises, and as owners they must take action.

Yesterday in Pinar del Rio a comrade asked: What will happen once all this is over? This is not going to end. This will continue. This is not a campaign. We are gathering ideas, suggestions, proposals. We are talking and explaining, and the people are understanding the situation. However, efficiency is not something you will achieve from one day to another. Efficiency is not something that will be achieved after a meeting. We must continue to work at each work center. We have production and service meetings that should be used to discuss efficiency. This would be very helpful for the country. We would help the country by analyzing economic efficiency. We can analyze how efficiently the subsidized units use their budgets, how the....

[Pantoja, interrupts] The restaurants....

[Ross, interrupts] Efficiency is the services that are offered, any kind of service offered by the labor groups. This can be discussed on a monthly basis. The workers would have an active role at these meetings; they would not be passive listeners. The union leaders are responsible for promoting the active role of the worker.

[Pantoja] The worker lost interest in the production assemblies; the idea behind these assemblies was lost. The administrations took an offensive stance. The administrators were the ones drafting the reports and presiding over the assemblies. The union stepped aside.

[Ross] Those are reports that say nothing.

[Pantoja] Totally technical reports.

[Ross] A report is not numbers alone. A report must also be a means to evaluate a situation. Where is the problem? Why this much, and not more?

[Pantoja] Pedro, what has happened is that technical words are used to describe technical problems, and we do not have the knowledge of the technical aspects of the work. We know nothing of productivity, costs, profitability. Now we must learn all these things.

[Ross] Because of the special period we cannot evade our responsibility in discussing these issues. The special period forces us to confront that discussion.

[Cruz] There is another problem we must broach. The people are discouraged when they cannot participate. This is why the production and service meetings lost their value. The workers felt that they did not have the right to be heard, to demand that he be heard.

[Pantoja] The problem was that issues were discussed month after month and no one did anything to improve the situation.

[Ross] You are correct.

[Pantoja] People get tired after a while.

[Ross] We now have the UBPC. The members of the UBPC are the ones who make the decisions. Whatever they say is law. There are currently 1 million workers who make up the UBPC's.

[Pantoja] I have more questions from our listeners. Ana Maria Mendoza Verdor, from San Miguel del Padron, wants to know: There is talk that there will be wage cuts. Will the wages of the manager or director of an unprofitable enterprise be cut as well?

[Ross] We do not have to lower the salary of a manager or director who is not capable of making his enterprise profitable. What we have to do is find a new manage.. The solution is not to cut his wages. We have to demand efficiency from our managers. The manager must work efficiently. They are getting paid for that and it is their responsibility.

[Cruz] I have a caller on the line.

[Unidentified caller] Good morning. I am from Nuevitas Municipality, Camaguey Province. I work at the CATM [expansion unknown] at Nuevitas port. I am a coordinator with 28 years of service and am 52 years old. I would like Pedro Ross to answer a question. If there were a reduction here at the port and I was affected, what would happen to me if, because of my age and years of service, there is no other job for me? I would like to know what will happen to people like me? Right?

[Ross] You are about ready to retire. It has been said that all those workers who are nearing retirement age, who are efficient workers, and who have a good work record, will be given special consideration if this should occur. However, you are calling me from Camaguey. Camaguey is an area where manpower is needed. We need more workers at the power company in Nuevitas. We need more workers at that important power company. Changes have been made at the Nuevitas Port. I do not know what kind of a payroll they have there. You are working in an area that does not merit cuts; it is in those areas where we need more manpower. Once our economy improves we will have more work at the ports, and Nuevitas is one of the most important ports in the country. You told me that you work for the CATM. You are responsible for controlling and distributing the merchandise that comes into the country. We would have to study the situation there, but I can tell you and we have decided that those workers who are nearing retirement age must be respected and will have priority as far as remaining in their jobs is concerned.

[Cruz] Reina Cintras Portal from Sancti Spiritus also had a question regarding retirement: Are there any plans for the graduating youths and current labor or labor training problems, and are there plans to reduce the age for retirement?

[Ross] This is something that has existed for a long time.

[Cruz] This has been around for a while.

[Ross] Since we began to prepare for the 16th [CTC] Congress, this issue was discussed intensely, even in sectors such as education. In the next 25 years Cuba will see a drop in the growth of the active labor force due to birth rates, the demographic process we face in the next 25 years. In countries were life expectancy is being extended and people over 60 are physically strong and useful, active labor time is extended because that worker is an important resource for the country. We, Cuba, cannot adopt a measure in this regard on the basis of the situation we are trying to overcome. This is temporary. The less it lasts the better. We are going to need that work force. It is possible that in the future we might have to raise the retirement age, as is done in the developed countries where life expectancy is long. We have 1.1 million retirees in Cuba. Cuba paid 1.6 billion in social security in 1993. In other words, a fourth of what is paid in salaries in Cuba is paid through...

[Pantoja interrupting] How much was paid?

[Ross] 1.6 billion in retirement benefits and social programs.

[Cruz] This is an impressive figure for a country like ours and the problems we have.

We have about five minutes left. I want to remind all that on 17 January there is going to be meeting of the union cadres in the CTC provincial school; on 18 January, there is going to be a meeting of union cadres at 1500 in the Martinez Prieto Agroindustrial Complex; on 19 January in Havana at 0900 and 1600 in a merchant fleet vessel; on 20 January, the Cuban delegation to Latin American and Caribbean events will meet with Ariguanabo union cadres at 1300. The Havana UBPC will meet at 0900 on 24 January in the Finlay Institute; on 25 January, there will be a meeting of the CTC Secretariat with union cadres of Havana port. The Solidarity with Cuba meeting continues in Batabano Fishing Complex on 27 January. On the 28th there will a ceremony to mark the 55th anniversary of the CTC at 1500 in the Lazaro Pena Theater; on 29 January, there will be a plenum of the CTC National Committee; and on 30 January a housing project inauguration in the 14 July neighborhood in Cienfuegos.

There are activities, discussions, debates scheduled for the rest of the month. I believe it has been quite a while since the workers have been so excited, because we know we are deciding the future of the nation, which is our own future. I believe there is a caller. Let us listen to her.

[Caller] My name is Mella Costa Vera, a worker in Boca Ciega Workers tourist village. In the previous program, Soledad Cruz proposed discussing today the issue of incentives for workers. Since it was not possible to discuss this issue due to the importance of all the issues discussed in the last two programs, I would like to propose that Comrade Pedro Ross check his agenda and see if he can participate in this program next Saturday [22 January] to continue discussing these issues due to their importance for the country and the value of his explanations. This would clarify all the doubts we workers have when it comes time to make proposals. That is all I wanted to suggest.

[Ross] Well, since this program is early in the morning I can come.

[Cruz] I am truly glad about this caller's suggestion because there are many things to discuss and calls. We have a call from Eulalia Ginarche Miranda from Baguanos Municipality in Holguin. There are other questions by Reina [words indistinct]. There are other aspects to discuss of the letter from Ines Pacheco.

[Pantoja] We have about four or five more question left and there is time for more until Saturday.

[Cruz] There are issues such as personnel rosters which highly worry the workers. Will retirees and non-union workers, as well as housewives, get a chance to give their opinions? This is another interesting issue. There are many complaints from retirees that the country is not counting them, their experience, or help. I have many complaints from retirees. We will have to see if we create a retirees movement to also contribute to the work centers. How can we tell about ill-gotten money? Well, there are many issues.

I am glad you have shown so much interest in these open dialogues. Continue calling during the week the numbers 7-4587 and 79-1903 from 1000 to 1200. See you next Saturday. Have a good weekend and do not forget to participate in the meetings in your work places.

CTC Official on 'Parliament in the Work Place'

FL1601215994 Havana Radio Rebelde Network in Spanish 1000 GMT 15 Jan 94

[Text] At the assembly process called Parliament in the Work Place, the first thing every work center should discuss is how to become more efficient, for the fate of the Revolution and of the Cuban people is at stake. Thus said Francisco Duran Harvey, member of the Cuban Workers Federation [CTC] national secretariat, in a speech at a meeting with Granma Province's main union cadres on the possible measures to be implemented in order to streamline Cuba's internal finances.

Duran stressed that this is a process of great importance and political significance that requires us to close ranks without first requiring all workers to think the same way; and it is necessary for union cadres to be prepared with convincing arguments and views.

[Begin Duran recording] Therefore, this is not just one more battle. At the National Assembly, Fidel insisted strongly that we had to get the measures implemented once we got the workers to understand. He said we could not win that battle without the workers. He said it clearly, very clearly. Therefore, all of us have to engage in this battle, and we have to work intelligently to win it. Because even after applying the measures, we will not have solved the problems. The measures are just a one path toward the solution. And it was said very clearly here that the problems of efficiency and fulfillment of our basic economic objectives play a decisive role. And, like people say, we must encourage people to make suggestions, encourage people to make recommendations.

At the assembly the other day in La Corona, there were workers who stated that work discipline has deteriorated but that one cannot speak of a generalized deterioration as there was no deterioration of discipline in repairing the mills, because the people made an extraordinary effort. We have a great tendency to generalize concepts. We must talk about whether there is deterioration in work discipline, but we cannot talk about this in a general manner. We must get down to particulars. And when I am in a work group, I have to speak, express myself graphically, and then there will be no problems. [end recording]

You have just heard Francisco Duran Harvey, member of the CTC national secretariat, who made these statements in the city of Bayamo regarding the assembly process entitled Parliament in Our Work Place, which is aimed at having the workers reflect on implementing measures to streamline our internal finances.

Government Says Solution to Crisis To Be Found in 1994

PA1701012794 Mexico City NOTIMEX in Spanish 1639 GMT 15 Jan 94

[Report by Francisco Ramirez Cardenas]

[Text] Havana, 14 Jan (NOTIMEX) [dateline as received)—The Cuban Government has affirmed that in 1994 there will be a solution to the current economic crisis overwhelming the country and expressed its hopes for a reactivation of a greater sugarcane harvest.

Politburo members of the ruling Communist Party of Cuba (PCC) have felt the recession will bottom out in the middle of the year, but they urged the people to work more efficiently and save the scant available resources.

"Cuba has the perspective of recovery, and the current and next sugarcane harvests will be decisive in this endeavor," Carlos Lage, Executive Committee of the Council of Ministers secretary, has stated during a meeting with leaders of the sugar sector. According to the strategy of the current economic reforms, only the sugarcane harvest will provide the necessary resources to come out of the "special period in peacetime," as the crisis and the measures to alleviate it are called.

During the past season of its main industry, Cuba registered the lowest production in three decades (4.2 million tons), something President Fidel Castro has publicly called a disaster. According to Lage, the 1994 to 1995 harvest will be greater than this year's. Castro estimated in late December that the current harvest will be a few hundred tons greater than the 1992 to 1993 harvest.

Since the disappearance of the Socialist Bloc and the Soviet Union earlier this decade, Cuba has been going through a profound crisis, with shortages of food, fuel, medicine, transportation, and other basic consumer goods. Havana has blamed the heightened U.S. economic and commercial embargo as the other cause of its woes.

The last session of the National Assembly has indicated that the surplus of money in circulation—estimated at more than 12 billion pesos—and the budget deficit of approximately 4.2 billion pesos constitute the two crucial problems to be resolved immediately. In government books, the Cuban peso is at par with the U.S. dollar, but in the flourishing black market the dollar sells from between 70 to 80 pesos. The surplus of money in circulation has led to a greater drop in efficiency, productivity, discipline, and interest in work.

According to an official report, during 1993 almost 40 percent of the disciplinary measures applied against workers were prompted by unjustified absences and an interruption of working hours, something that has been compounded by "negligence, disobedience, and borderline criminal conducts." With the state coffers almost without hard currency, without international sources of credit, the alarming government statistics also show that only 31 percent of the state enterprises are profitable.

"During the second half a favorable change must be noticeable in the improvement of internal finances," and the amount of fuel will be greater, Politburo member Jorge Lezcano has stated. Cuba will exchange 1.5 million tons of sugar for 4 million tons of oil, according to an agreement signed with Russia. Lezcano has said there are greater possibilities of moving ahead in 1994, although he admitted that in essence the same economic programs of 1993 will be maintained. These programs caused a deterioration in the people's lives.

Meanwhile, the Cuban Workers Federation (CTC) is apparently going to claim the responsibility for the new economic adjustment measures that have a high social cost, which the assembly will adopt to improve internal finances. The CTC is holding meetings at labor centers where speakers have suggested actions to reactive the shaky economy.

The sale of "bonds for the fatherland" (without interest), ceasing gratuities and subsidies, taxes, higher electricity rates, and the confiscation of wealth obtained "in an illicit manner" are some of the proposals. Economists say the true solution to the money surplus in the hands of the people is to increase production and offer industrial, farming, and service goods.

"This process of consultation will make it possible to bring a consensus to the next meeting of the National Assembly," CTC Secretary General Pedro Ross has said on state-owned television. Analysts feel the government expects that out of these meetings will come the major guidelines of the adjustment program, which includes a reduction of the bloated state apparatus and inevitable quota of greater unemployment.

Government officials recognize the priority of some of the proposals but say the achievements of the Cuban socialist system, such as in the health field and free education, will be maintained at any rate. The new measures will give continuity to the reform package begun in August 1993 by the government passing a law that will allow the free circulation of foreign currency, allowing self- employment and creating cooperatives for inefficient state farming.

Ross, Alarcon Preside Over Workers Parliament

FL1801020694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 18 Jan 94

[Text] Important aspects of the economic situation of Matanzas Province were debated in its workers parliament. The event was attended by Pedro Ross, secretary

general of the Cuban Workers Federation, and Ricardo Alarcon, president of the National Assembly of the People's Government.

Union leaders, deputies, and delegates to the People's Government in the province held an intense debate on the economic problems being confronted and the possible solutions. It was stressed that the most important thing is to seek efficiency at each work place and labor post. The meeting, held prior to the beginning of the process in the work centers, was presided over by Politburo members Ricardo Alarcon and Pedro Ross.

It was stated that Matanzas Province has a budget deficit of 120 million pesos and that 11 local enterprises received subsidies totaling 213 million pesos during 1993. The money in circulation totals 1.12 billion pesos, which is equivalent to the salary of 20 months. Confronting these problems demands intelligence, creativity, and, above all, work.

[Begin Alarcon recording] In the meetings in which we have participated so far, we have seen clearly how the workers are capable of identifying in each place how costs can be reduced, and how to increase production and economic efficiency. This is how the entire nation, everyone, everywhere, pulling together, confronts and ought to truly confront the situation we are currently facing.

I believe that this is how we all truly participate in the parliamentary process. [end recording]

Roundup of Economic Activity Reported 12-15 Jan

FL1501194694

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 12 and 15 January.

Radio Reloj at 2030 GMT on 12 January reports Cubana Airline President Heriberto Prieto Musa's statement that Cubana transports 40 percent of the tourists coming into Cuba. Prieto adds that over 450,000 tourists were served in 1993. Ninety-five flights a week by 29 foreign airlines arrive in Cuba.

Radio Rebelde at 1255 GMT on 13 January reports that over 800,000 crates of fresh grapefruit have been exported during the current grapefruit harvest on the Isle of Youth.

Radio Reloj at 1505 GMT on 13 January notes that Varadero's tourist organizations took in $188 million in 1993, a figure much higher than 1992, but $12 million less than called for under the 1993 plan.

Radio Rebelde Network at 1800 GMT on 13 January reports that "the ecumenical council today presented the official certificate of a donation of two biological laboratories to the Roberto Fernandez and Sexto Congreso agricultural-livestock production cooperatives in Matanzas Province. The agricultural laboratories cost over 200,000 pesos."

Radio Reloj at 1500 GMT on 14 January carries the following reports:

Light Industry Establishment No. 122 in Pinar del Rio plans to deliver 1 million meters of fabric covers to the province's tobacco plantations on 20 January. Other Pinar del Rio textile-industry centers have guaranteed three fourths of the 3 million meters the province needs. This work began on 8 December. Over 400,000 meters of textile have already been produced, with 40,000 meters being produced daily. Establishment No. 122 usually makes military cloaks, backpacks, and other such articles.

The Third International Caribbean Fair will be held on 28 June in Santiago de Cuba during the Second Businessmen's Meeting, which is part of the effort to incorporate Cuba into the world market. This meeting will also encourage business and economic partnerships. Installing the organizing committee, Cuban Chamber of Commerce President Carlos Martinez Salsamendi stressed that the goal is to strengthen trade ties with other countries.

A third of the near 4,000 tons of metallic and aluminum structures produced last year by the Paco Cabrera Enterprise in Las Tunas Province have been sold for hard currency under the system for self-financing established by that enterprise. The products were earmarked mainly for nickel installations in Moa and projects of the Cubanacan and (Simex) corporations, as well as other organizations and agencies that operate in hard currency.

A group of businessmen from the Canary Islands is on a work visit to Sancti Spiritus Province. The visitors made a donation of assorted articles to Cabaiguan Municipality.

Radio Rebelde at 1800 GMT on 14 January reports that Albert Fleming, governor of St. Martin, met with children from the Presencia de Lenin school for children without parents, to whom he made a donation of clothing and school supplies. Fleming said this was the beginning of an important link between the two islands. The school is located in Playa Municipality, Havana City Province. "He was also very affectionate and caring with the children, staying longer than protocol had scheduled." Fleming also announced that children from St. Martin would soon be visiting Cuba, and Cuban children would visit St. Martin. Present at the ceremony were Comrade Jesus Montane, assistant to the commander in chief; Havana People's Government leaders, and other members of the governor's delegation.

Rebelde also reports that Mexico donated 120 specialized books to the University of Havana on 14 January. On 19 January, Mexico will donate school notebooks to the children of Cuba.

Rebelde at 1255 GMT on 15 January reports that the (Sagnav I) Enterprise in Santa Clara manufactured over 3.04 million bags in 1993. The bags were earmarked for the sugar industry and for use in rice production.

In the same newscast, Rebelde reports that Holguin's basic electric power organization repaired "close to 400" transformers in 1993, thereby reducing the need for imports and saving the nation over $120,000.

Radio Reloj at 1500 GMT on 15 January reports the following:

"While in 1989, the excess currency in circulation in Cuba was 4.163 billion pesos, there is today over 10 billion pesos of excess currency circulating, and it is believed that figure is going to continue to increase."

(Luo Hung), a PRC Embassy officer in Cuba, in a message of greeting over local radio on the Isle of Pines, highlighted the ties of friendship that unite the Chinese and Cuban people, and donated books and pamphlets the municipal library.

"The National Water Resources Institute considers the preservation of the patrimony accumulated by the Revolution, enterprises, and the irrigation system a priority task for 1994." In 1958, the nation's reservoirs could hold only 46 million cubic meters; they can today hold 9 billion cubic meters. Cuba today has 218 dams, thousands of km of canals, and a great number of costly pieces of equipment. It is also building several aqueducts, one of which—the Santiago de Cuba aqueduct, currently under construction—will have cost, when completed, $40 million pesos.

Radio Havana Cuba at 0000 GMT on 15 January reports the following:

Enrique Correa, minister secretary general of the Chilean Government, announced that the State Bank of Chile has granted its Cuban counterpart a special loan of almost $10 million for the purchase of foodstuffs. The minister said that the loan was approved by Chilean President Patricio Aylwin and is part of the economic opening policy between Cuba and Chile. According to Correa, this will allow other banks to follow Chilean investors and businesses which already have serious trade ties with Cuba.

Chile Approves Special Line of Credit

FL1501013594 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Jan 94

[Text] Enrique Correa Rios, Chilean minister secretary general of government, today in Santiago, Chile, announced that a special line of credit for Cuba was approved today by the National Bank of Chile. The line of credit, in the amount of 17 million German marks, approximately $10 million, will be used to purchase food. Correa said he believes this operation will benefit Chilean producers. Correa also stressed President Patricio Aylwin's participation in the approval of the credit given Cuba.

Campa Announces Sale of Vaccine to Argentina

FL1501031594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Jan 94

[Text] Dr. Conception Campa, director of the Finlay Institute, has announced that this afternoon Cuban authorities received the document authorizing Cuba to freely market its meningococcal meningitis vaccine in Argentina.

[Begin recording] As you all know, this has been a long struggle which has taken many complex turns in terms of its approval or rejection. There was great pressure exerted by the Argentine people, by pediatricians, and by mothers who wanted to vaccinate their children.

Up to now, no permit had been issued to register the vaccine; therefore, there was no permit to sell it or to let the people buy it. This is what the great news we received a few minutes ago is about. I received a call telling me that we already have the registration in our hands. This opens the doors to freely market the vaccine and for the mothers to buy it and vaccinate their children, for the pediatricians to recommend it.

Up to now we were not able to do this. This represent an important step to protect those children who are in the midst of a full blown epidemic and who were not allowed to get the vaccine. This is also something very important for us: To be able to sell a product which offers no risks and has extremely high potential to fight that epidemic in Argentine. [end recording]

Dr. Concepcion Campa received today the 23 October award from the Federation of Cuban Women, a homage to the Cuban woman who gives to science and Cuba the best of her intellect.

Three-Year Cultural Protocol Signed With Nigeria

FL1501184894 Havana Radio Rebelde Network in Spanish 1255 GMT 15 Jan 94

[Text] In Lagos yesterday, Jerry Gana, Nigerian Minister of Culture and Information [title as heard], and Cuban Ambassador Giraldo Mazola signed a three-year cultural protocol.

Robaina Concludes Visit to Zimbabwe

FL1801144794 Havana Radio Rebelde Network in Spanish 1255 GMT 18 Jan 94

[Report by Roberto Gili]

[Text] We have just established telephone contact with Hugo Rios, PRENSA LATINA correspondent in Harare, Zimbabwe, where Cuban Foreign Minister Roberto Robaina has just concluded his visit. Hugo Rios spoke to

Roberto Robaina only minutes before he left that nation on the so-called Dark Continent.

Shortly before concluding his three-day visit to Zimbabwe, Robaina told Rios that: We are leaving Zimbabwe with more motivation to feel a part of Africa. In statements to PRENSA LATINA, Robaina said that during those three days, he felt he was back in Cuba, adding that the environment is good for the strengthening of ties between the two countries. Robaina was bid farewell at the Harare airport by Zimbabwean Foreign Minister Nathan Shamuyarira with whom he met three times on the last day of his official visit to that country.

According to Rios' exclusive report for the "Doing Radio" newscast, Robaina and Shamuyarira discussed the international situation, the two countries' determination to strengthen bilateral relations, and reciprocal ties of solidarity and friendship were reiterated. Shamuyarira told PRENSA LATINA that not only Zimbabwe but all of Africa is indebted to Cuba. The Zimbabwean foreign minister had said these same words on the occasion of the 35th anniversary of the triumph of the Cuban Revolution and reiterated them in his statements to PRENSA LATINA. After bidding farewell to Robaina, who has now left for Zambia, Shamuyarira said he shared Robaina's feelings of happiness about the meeting.

During his stay in Zimbabwe, Foreign Minister Robaina also met with the higher education, health, interior, agriculture, and information ministers, and with the industry and commerce deputy minister. Robaina met with the mayor of Harare, with Cubans who work in Zimbabwe, and with the board of directors of the Zimbabwe-Cuba Friendship Association.

During this morning's telephone conversation with Hugo Rios, we also learned that Zimbabwean Industry and Commerce Minister Christopher Ushewokunze was killed in a car accident last night. The government has reported that the minister was on the road that links Harare to (Balaguayo), in southern Zimbabwe, when he crashed into a military vehicle.

Arrives in Zambia

FL1801190194 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Jan 94

[Text] Cuban Foreign Minister Roberto Robaina arrived in Zambia as part of a tour of Africa. The foreign minister has already visited Ghana, Angola, and Zimbabwe. Robaina traveled to Lusaka from Harare, where he visited for three days and met with Zimbabwean authorities. During his stay in Zambia, Robaina plans to meet with Zambian President Frederick Chiluba and other government authorities. The foreign minister also plans to visit Windhoek, Namibia, where he will meet with President Sam Nujoma. Namibia is scheduled to be the last stop of his first tour of Africa, which will end on Friday.

Isabel Allende Continues Work Tour of Spain

FL1801171394 Havana Radio Reloj Network in Spanish 1519 GMT 18 Jan 94

[Text] Cuban Vice Foreign Minister Isabel Allende today traveled to Las Palmas, Canary Islands, as part of her work visit to Spain, where she has broached such topics as bilateral relations and cooperation.

Allende began her work visit to Spain on 11 January. While in Madrid, Allende met with high-ranking Spanish Foreign Ministry officials. Allende also traveled to Barcelona and Seville.

During yesterday's visit to the Andalusian capital city, Allende met with Mayor Alejandro Rojas and with Concepcion Gutierrez, adviser to the Andalusian Government Junta. During the meeting, the agreement between the Havana Provincial Assembly and the Andalusian Junta, as well as its contribution to the renovation of Old Havana, were discussed.

Full Membership in Caribbean Hotel Association Voted

FL1901002894 Havana Radio Reloj Network in Spanish 2043 GMT 18 Jan 94

[Text] It has been officially announced in Santo Domingo that Cuba has become a full member of the Caribbean Hotel Association by unanimous vote of the members of the executive committee of this body. The announcement was made on 17 January by (Bel Hoberman), a representative of the association, during the Market Place-94 event being held in the Jaragua Hotel with the participation of over 1,000 delegates and travel agents from Central America and the Caribbean.

Caribbean tourism officials believe Cuba's entry into the association is extremely important in light of the significant growth Cuba has experienced in this sector in the last few years and its potential. For years Cuba sought to become a member of the Caribbean Hotel Association headquartered in Puerto Rico.

Raul Castro Tours Cienfuegos Province 15 Jan

FL1901005894 Havana Cuba Vision Network in Spanish 2320 GMT 17 Jan 94

[Text] On 15 January, Army General Raul Castro Ruz toured Cienfuegos Province, where he held a unique meeting without a set agenda or formal head table. Several political issues of great importance were deeply debated.

Manuel Menendez Castellanos, first secretary of the Communist Party of Cuba [PCC] in the province, presented an in-depth briefing on the firm support being given to the Revolution by the masses in the province whom are exercising admirable selfnessness and using creative initiatives to confront the harsh conditions of the special period. Menendez spoke of the sustained progress made in the food program, although he

described the progress as inadequate. He stressed the efforts being made to increase production and the recent work to ensure that cadres of the PCC, People's Government, and organizations can deftly conduct economic analyses and act with energy to reduce costs and increase productivity and production.

Menendez pointed out that this strategy is essential to attain the economic efficiency that will make possible to step by step reduce state subsidies and repair domestic finances.

Raul praised the efforts and work of the people of Cienfuegos, and insisted on several key points to attain goals in the farming sector, goals such as discipline, planning, and organization of the workers. This is to ensure effective work shifts of never less than eight hours a day. He also insisted on using 90 percent of the work force and fuel on the furrow irrigation, and the minimum amount of tractors to work the land, as well as to amply use ox teams in every possible phase of the agrarian process.

In relation to the positive experiences of the Youth Labor Army [EJT], Raul stated that these principles are valid for state farms as well as for the Basic Cooperative Production Units [UBPC] being created [words indistinct]. In every case, the worker's income should reflect the end result of his work.

The fight against crime and social indiscipline was another issue discussed. Colonel Luis Barrera, provincial representative of the Interior Ministry [Minint], briefed Raul on this issue. He described the efforts as generally favorable. However, there is need to maintain and increase vigilance and control measures, improve the Unified Vigilance and Protection System and broaden even more the people's participation in this struggle.

Menendez referred to the mobilization of PCC and Union of Young Communists members and base-level bodies in the fight against crime and the effective intervention of the task action brigades in necessary cases.

Raul insisted that this is a struggle of the entire people, not only the police's and the Minint's. He also stressed that every leader, from the minister to the manager of a small warehouse, must be fully responsible to preserve the people's resources under his responsibility and act accordingly. Raul added that quicker action by judicial bodies is needed to respond to the changing mode of operations by the criminals.

In the company of Division Generals Leopoldo Cintra Frias and Joaquin Quintas Solas, chief of the Eastern and Central armies, respectively, Raul visited a tourist facility and the Carlos Manuel de Cespedes electric plant. In the Punta Las Cuevas Hotel, manager Santiago Manzano explained to Raul that this a recently inaugurated center primarily for vanguard workers and couples on their honeymoons. Raul stressed the importance of preserving these types of services and urged its workers to maintain the quality which, despite its short time in operation, already distinguishes this hotel.

At the electric plant, Raul was interested in the efforts of workers and technicians who guarantee the high degree of efficiency which characterizes this plant—a national vanguard for 15 consecutive years. He was told that between what is produced in the enterprise and what is done in cooperation with other local entities, more than 30 percent of essential parts and components are being procured and there is the possibility of attaining up to 80 percent. Raul asked about the conditions of the workers' dining room and housing. He urged keeping in mind essential needs and warmly praised this work center.

The workers asked Raul to rely a message to Castro regarding their willingness to maintain with the available resources the operation of this center due to its importance for the country in terms of energy and efficiency.

PCC, CTC Founder Ursinio Rojas Dies

FL1901014694 Havana Cuba Vision Network in Spanish 2320 GMT 17 Jan 94

[Text] This morning, following a prolonged illness, Ursinio Rojas Santiesteban passed away. He was a founder of the Cuban Workers Federation [CTC] and the Communist Party of Cuba [PCC]. In 1931 Rojas joined the revolutionary struggle following the creation of the first cell of the Communist Party in the Tacajo Mill where he conducted diverse clandestine activities. From then on, and until the triumph of the Revolution, he occupied various posts in the CTC. Since 1965 he was a member of the Central Committee of the PCC until its third congress.

His body can be viewed at the Calzada and K street funeral home. The burial will be tomorrow at 1220 in the Colon cemetery.

Haiti

Minister Denies Shooting at Finance Minister's Residence

FL1801222394 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 94

[Text] Rene Prosper, minister of the interior of the Haitian Government, denies the information alleging that there was shooting at the residence of Finance Minister Mrs. Marie-Michele Rey in Petion-Ville during the night of 13 to 14 January. According to Mr. Prosper, gunshots were actually only heard in the vicinity of Mrs. Rey's residence. He immediately gave instructions for police patrols to go to the scene. He explains that this was done promptly by units from the Port-au-Prince police and the Petion-Ville Military District, which reinforced the protection of the concerned residence. Rene Prosper communicated these explanations to the HAITI PRESS

AGENCY over the phone from Miami, where he was participating in the international conference on the Haitian crisis.

National Conference Postponed to 6, 7 Feb

FL1801222594 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 94

[Text] The national congress of the Group of the Great North [Collectif du Grand North] will begin today. Herve Leveille, secretary general of this group, says that all sectors involved in the crisis have failed and that the people must take initiatives to solve the crisis. Leveille invites the Haitians, among others, to participate in this congress, which will center on the country's situation, a congress which can ease the crisis. A total of 123 citizens from the nine departments are already willing to participate in this congress, according to Leveille. Let us listen to his statements. [sentence as heard]

We are now going to talk about the postponing of the national conference instead. The technical office of the Committee of Actions for National Reconciliation [Comite d'Actions pour la Reconciliation Nationale, CARENA] advises that the national conference will now take place on 6 and 7 February in accordance with the wishes of the various sectors of national life that will participate in this conference. It takes this opportunity to invite the various sectors of national life to participate in the sessions of the national conference preparatory work that will take place at the Holiday Inn on 20 January with the following sectors: the Catholic Church, the Protestant Church, voodoo members, employers, workers, the people's sector, and the socioprofessional sector. The date of 21 January will be devoted to political parties, the executive power, the Senate of the Republic, and the Chamber of Deputies. The Court of Cassation, the Haitian Armed Forces, and the Supreme Audit Court will participate as observers in the working meetings that will go from 1000 to 1300 and from 1500 to 1800.

The technical office of CARENA takes this opportunity to renew the expression of its patriotic greetings. This note is signed by Fritz Buissereth, coordinator in charge of the technical office. He is the new CARENA spokesman. The note is also signed by Ady Jeangardy, coordinator in charge of communications, and by Bruny Raphael, coordinator in charge of administration.

Bazin Favors National Conference

FL1801225394 Port-au-Prince Radio Metropole in French 1145 GMT 18 Jan 94

[Text] Following the conference in Miami, one more voice is being raised in favor of the national conference in Haiti.

Former Prime Minister Marc Bazin has chosen the U.S. newspaper THE MIAMI HERALD to voice his support for holding such a national conference. The idea of a national conference is nothing new. It has already been conducted in many countries, and the results are positive,, writes the leader for the Movement For the Establishment of Democracy, Marc Bazin. He states in his article that there is no other peaceful and reasonable alternative than the national conference. The return to guerrilla techniques would be devastating and would only facilitate the return to dictatorship. On the other hand, to use and manipulate the tragedy of the boat people in order to take power would be completely inexcusable, inhumane and reprehensible. We are quoting some excerpts from Marc Bazin's article in THE MIAMI HERALD of 16 January. The former prime minister concludes, quote: A national conference should be, above all, an invitation to a realistic, fair and practical compromise, unquote.

Sen Larosiliere Ready To Accept Post of Prime Minister

FL1801222694 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 94

[Passages within quotes in Creole]

[Text] Julio Larosiliere, senator of the southeast [as heard], says he is willing to accept the leadership of the next cabinet. I am not campaigning because of my status as senator, but if I was called, I would not hesitate to become the next prime minister, he stated. Moreover, he said he is competent for such a post.

[Begin Larosiliere recording] "I must clearly tell you that it is not a matter of [word indistinct]. It is a matter of capability, it is a matter of sacrifice." At this time, Senator Larosiliere is a man who can perform the functions of prime minister in Haiti. If I could not, I would say: No, I cannot. But I feel I can. So, if I am invited, if this post is offered to me, "I will accept, and I believe it is one of the best choices that could be made. If some believe that I am taking steps just so I can become prime minister, I can say other things are involved." I think that I am here to serve the nation, but I will not take any steps because I have a mandate as senator; I am very proud to be a senator and I would be happy to remain in Parliament to do that job. I am repeating the following for you: If "they see that I can contribute to a way out of the crisis, I am ready; and I believe the people as well as President Aristide, the Armed Forces, and all sectors in this country will not send flowers to me—so to say—because I do not hold the post, but I am sure that the results will be positive if I do occupy this post." [as heard] [end recording]

This was Sen. Julio Larosiliere, who is available to occupy the post of prime minister.

Senate President Dicusses Views

FL1801223494 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 94

[Excerpts] Frantz Robert Monde, new president of the Chamber of Deputies and a member of the Socialist bloc presented himself on 17 January as an arbiter between the various political sensitivities of this institution and as a democrat. Mr. Monde, who addressed a news conference, pointedly refuted the label of extremist. Recalling his past as a Duvalierist militant and his current democratic commitment, he stated that only God and idiots do not change. The Haitian democracy must be a struggle of ideas but not of men, he added, while coming out in favor of a national conference to get out of the crisis. We, Haitians, must sit around a table to work out a strategy to get out of the crisis, a strategy that would honor the country, he stated. [passage omitted]

Monde said he is against reducing the Haitian Army as requested by some political sectors, but he does wish to create a police force to solve the problem of repression in Haiti. [passage omitted]

Furthermore, he pointed out that he had warned the officials of the Revolutionary Front Haitian Advancement and Progress, FRAPH, the main neo-Duvalier party, that he would not tolerate a deputy being manhandled or persecuted by this group. He met with the leader of this group, Mr. Louis Jodel Chamblain. Any deputy must be able to go to his district, he pointed out, while saying he is ready, if necessary, to accompany some parliamentarians. He also assured the press of his support, asserting that he will firmly intervene every time a journalist has problems in fulfilling his duty. [passage omitted]

Irish Prime Minister, Salinas Discuss Trade

PA1401192294 Mexico City XEW Television Network in Spanish 0435 GMT 14 Jan 94

[From the "24 Hours" newscast]

[Text] Mexican President Carlos Salinas de Gortari Mexico is determined to take advantage of the opportunities that the new world order has to offer. He also said that the coming into effect of NAFTA opens up new investment and trade opportunities in Mexico.

[Begin unidentified reporter recording] President Salinas met with Irish Prime Minister Albert Reynolds on 13 January at Los Pinos Presidential Residence. They talked about issues of interest to both Mexico and Ireland. Mr. Reynolds told President Salinas that he is accompanied by a group of businessmen from large Irish companies that are interested in investing in Mexico. Reynolds said that Mexico is a favorable place for trade, investment, and cooperation.

Later, in San Angel, Prime Minister Reynolds placed a bouquet of flowers in San Jacinto Plaza to honor the Irish soldiers of the heroic San Patricio Battalion who died in 1847 while defending Mexico during a U.S. invasion. Romulo O'Farrill, Irish honorary consul to Mexico, and members of the Mexican-Irish community attended the ceremony. Two hours ago, Mr. Reynolds attended a dinner offered by President Salinas at Los Pinos. [end recording]

[Paris AFP in Spanish at 2048 GMT on 13 January transmits a similar 100-word report that adds: "Mexican National Foreign Trade Bank (Bancomext) and the Irish Trade Council signed a trade cooperation agreement" during Irish Prime Minister Reynolds' visit to Mexico.]

Salinas Orders Mechanism To Aid Mexican Victims of Quake

PA1801161694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 18 Jan 94

[From the "Good Morning From Mexico" newscast]

[Text] President Carlos Salinas de Gortari has ordered the implementation of a special mechanism to give aid to Mexican community victims of the earthquake in Los Angeles, California. The Foreign Relations Secretariat—through the Mexican Consulates in Los Angeles, San Diego, Oxnard, Santa Ana, and San Bernardino—is assessing aid needs. Contacts have also been made with Mexican-American leaders to study how greater support can be given to Mexican victims of the earthquake; that is, those who reside in that part of the United States.

PARM Presents Presidential Candidate Alvaro Perez

PA1801190394 Madrid EFE in Spanish 0015 GMT 16 Jan 94

[Text] Mexico City, 15 Jan (EFE)—The Authentic Party of the Mexican Revolution (PARM) today nominated Alvaro Perez Trevino as its presidential candidate for the 21 August federal election.

Perez Trevino has been municipal president of Ciudad Acuna, Coahuila, a federal deputy and a leader of the Chamber of Deputies in that state. He is an agronomist who graduated from the University of Texas at Austin. The PARM candidate is a nephew of General Jacinto Blas Trevino, the founder of the political organization. Gen. Trevino left the ranks of the Institutional Revolutionary Party (PRI) in the 1950's due to differences of opinion with the party's leadership to found a new organization.

With the nomination of Perez Trevino, each of the nine officially registered parties now have their own presidential candidate with whom to go out on the campaign trail in search of votes. At the same time, the announcement also put an end to the intentions of several parties to run for the Mexican presidency with a common candidate.

The other presidential candidates are: Luis Donaldo Colosio of the PRI; Diego Fernandez de Cevallos, of the National Action Party; Cuauhtemoc Cardenas Solorzano of the Party of the Democratic Revolution; Cecilia Soto of the Labor Party; Marcela Lombardo Otero of the Popular Socialist Party; Rafael Aguilar Talamantes of the Cardenist Front for National Reconstruction Party; Pablo Emilio Madero of the National Opposition Union; and Jorge Gonzalez Torres, for the Mexican Green Ecologist Party.

A group of parties formed a coalition known as the National Democratic Front in 1988, which nominated Cuauhtemoc Cardenas Solorzano. This, in turn, made that year's elections the most criticized in recent decades. Election legislation reforms made it extremely difficult to create coalitions among political parties, consequently, each party was forced to select their own candidate for 1994.

Electoral Tribunal Annuls Campaign Spending Resolution

PA1901043694 Mexico City XEW Television Network in Spanish 0435 GMT 18 Jan 94

[From the "24 Hours" newscast]

[Text] The Federal Electoral Tribunal has unanimously annulled the resolution approved by the General Council of the Federal Electoral Institute [IFE] on 23 December 1993. This resolution approved the procedure to determine the ceiling for presidential campaign spending. The

IFE General Council had appointed three of its magistrates to establish the amount that would constitute the ceiling for presidential campaign spending.

The Federal Electoral Tribunal, however, decided that this procedure transfers the IFE General Council's decisionmaking power to the magistrates. Therefore, the Federal Electoral Tribunal, as explained by its president Jose Luis de la Peza, decided that the IFE General Council should issue a new resolution before 31 January.

[Begin de la Peza recording, in progress] ...by which it can determine the ceiling for the amount of money parties can spend on their campaigns for the presidential elections. [end recording]

In turn, the Federal Electoral Tribunal issued a resolution that took into account a suit filed against the IFE by the Party of the Democratic Revolution.

Roundup of Economic Developments Through 18 Jan

PA1801172394

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 18 January. Source is cited in parentheses following each item.

The Fisheries Secretariat announced that shrimp fishing produced $239 million during 1993, which is $34 million more than in 1992. Shrimp and other sea products, such as squid, seaweed, tuna, and lobster totalled 112,000 tons, for a total income of $412 million. The main export market was the United States. (Mexico City NOTIMEX in Spanish 1520 GMT 12 Jan 94)

Francisco Rojas, director of Mexican Petroleum, Pemex, stated on 12 January that there are sufficient supplies of petroleum products to meet long term demands. Rojas, while announcing Pemex plans for 1994, stated that the oil industry remains independent of any political trend. He reported that investments will total 10.789 billion new pesos, 9.2-percent higher than 1993. Half will be used in drilling and exploration and the other half will be used in refining activities. The average production level will remain at 2.7 million barrels per day. Approximately 50 percent will be destined for domestic consumption and the rest for export. Pemex Refining Director Fernando Manzanillo announced that distribution terminal relocation work will continue this year and will include opening privately run terminals at Aguascalientes, Zacatecas, and Baja California. The major terminal at Guadalajara will be ready in August. (Mexico City XEW Television Network in Spanish 2030 GMT 12 Jan 94)

The Finance Secretariat reported that the trade balance deficit dropped 26.4 percent from November 1992 to November 1993. Mexico, the report states, still purchased more than it sold and has a $1 billion deficit. (Mexico City XEW Television Network in Spanish 0430 GMT 15 Jan 94)

Pemex announced on 15 January that as of 16 January industrial fuel oil export prices will increase. Prices will vary depending on the refinery and distribution port. Cadereyta Refinery in Nuevo Leon lists 151.03 new pesos per cubic meter; Madero, Tamaulipas, lists 142.01 new pesos; and Minatitlan, Veracruz, lists 162.39 new pesos. In Salamanca, Guanajuato, the price will rise to 184.01 new pesos; in Salina Cruz, Oaxaca, it will rise to 159.01 new pesos; and in Tula, Hidalgo, to 184.01 new pesos per cubic meter.

The announcement states that prices at the loading ports will also rise. In Lerma, Campeche, the new price will be 218.37 new pesos per cubic meter; in Guaymas, Sonora, it will be 187.62 new pesos; and in Lazaro Cardenas, Michoacan, the price will rise to 177.03 new pesos. At the port in La Paz, Baja California, the price will now be set at 188.95 new pesos; in Manzanillo, Colima, it will be 179.82 new pesos; in Mazatlan, Sinaloa, 185.12 new pesos; in Rosarito, Baja California Norte, 194.56 new pesos; in Topolobampo, Sinaloa, 184.46 new pesos; and in Veracruz it will be set at 176.31 new pesos per cubic meter.

Pemex authorities stated that the price adjustments respond to the recent international market price evolution process and rising distribution and processing costs. (Mexico City NOTIMEX in Spanish 0034 GMT 16 Jan 94)

Chiapas Crisis

Defense Secretariat Issues Bulletin No. 20

PA1801133494 Mexico City XEW Television Network in Spanish 0435 GMT 18 Jan 94

[Bulletin No. 20 issued by the Mexican National Defense Secretariat on the situation in Chiapas; place and date not given; from the "24 Hours" newscast]

[Text] Military personnel continue to provide security to the towns of San Cristobal de las Casas, Rancho Nuevo, Oxchuc, Altamirano, Ocosingo, Las Margaritas, Comitan, and Escopetazo in case of possible new attacks and in response to the civilian population's demand for the presence of troops.

Yesterday, residents in Oxchuc turned in to the authorities 16 lawbreakers who participated in various vandalistic actions since 1 January. Social work continues through the distribution of food, blankets, medicines, and potable water.

Salinas Postpones Trip To Spain Due to Events

PA1801172494 Mexico City Radio ACIR Network in Spanish 1500 GMT 18 Jan 94

[From the "Panorama" newscast]

[Text] President Carlos Salinas de Gortari has postponed for an indefinite period his state visit to Spain due to the conflict in Chiapas State. The presidential trip was scheduled for the end of the month and was in response to the visit that King Juan Carlos paid to Mexico in January 1990. Spanish Government spokesmen indicated that the governments of the two countries are going to decide on a new date for the visit.

Peace Commissioner Replies to EZLN

PA1801192594 Mexico City Radio ACIR Network in Spanish 1805 GMT 18 Jan 94

["Reply" to the EZLN by Manuel Camacho Solis, Mexican commissioner for peace and reconciliation in Chiapas, in San Cristobal de las Casas, Chiapas, on 18 January—recorded]

[Text] To the EZLN [Zapatist National Liberation Army] Command:

I received your communique. I reply to the points in your message and at the same time I present to you the guidelines of my actions to facilitate the process of peace and reconciliation.

1. The dynamics of war changes are such that had we not acted without wasting a single hour in favor of peace, we would have entered an irreversible process that would have had very serious historical consequences for the Mexican people. Precisely because I understand the difficulties in communication, my replies have not been conditioned to your replies. The unilateral cease-fire and the amnesty law bill show the government's willingness to find a political solution. I understand that the cease-fire from your side and your desire to participate in dialogue are aimed at finding a political solution. Citizens and political forces throughout the country are demanding a political, humanitarian, socially oriented solution that will guarantee peace and reconciliation.

2. I have made it clear publicly that Samuel Ruiz Garcia, bishop of San Cristobal de las Casas, is undoubtedly a citizen, who with his pastoral duties, has demonstrated his commitment to peace. He is a trustworthy mediator, therefore, I reiterate that, for this commissioner, the messages sent to us through him are recognized as authentic.

Since the positions and the methods used are antagonistic and since we do not want to get involved in situations that could increase our differences, we have been acting within a negotiation strategy of messages of harmony, with facts, that could facilitate the political solution of the conflict. Following a study of the Chiapas situation, of the recognition of the need for changes, after observing the serious consequences of violence, and after considering the seriousness of the violence if it continued, I have come to believe that the search for peace requires three phases and a negotiation environment:

1. The suspension of all attacks, the establishment of a dialogue with the EZLN through reliable paths, that this commissioner refer to you by your name, and seek to guide public opinion toward the construction of peace, and through a dialogue establish specific guarantees for you in the amnesty process.

2. That the unity of the residents of Chiapas facilitate political unity, adherence to government action, immediate changes in the application of justice, and serious social response to the problems of the Indian communities.

3. Once conditions for pacification exist and political changes for justice and social programs in Chiapas are under way, Mexican society as a whole and national political forces—without pressure of the armed struggle and through the political and legal process—can reflect upon what happened and agree on policies and changes to improve the atmosphere of general political coexistence. If instead of a negotiation in peace followed by deeds in favor of Chiapas unity for security, justice, and democracy, we would have waited or wished to resolve a global agenda amidst violence, today violence would continue with irreversible consequences for public liberties, economic stability, and the possibility to carry out the changes needed in Chiapas.

3. [Number as heard] Regarding your representativeness and the treatment that would facilitate communications with you, as commissioner for peace and reconciliation in Chiapas, I answer this concern. Just as we have spoken about negotiation through messages with deeds, this response is aimed at the basic point of your proposal. In one communique, you requested recognition as a belligerent army. In another communique, you proposed that only Mexicans by birth participate in the mediation so that the conflict can be resolved only by Mexicans. That is why, to reconcile your political decision to obtain representativeness and not have foreign interference in this conflict, and to conduct the negotiation process within the framework of our law, I have addressed you as the EZLN, respecting the denomination that has given you identity.

4. Finally, you asked me what is my duty and my position. My duty, as commissioner for peace and reconciliation in Chiapas, is to create room for communication and negotiation to solve the conflict by political means. I honestly report to the Government of Mexico, society, and public so that an objective and more practical communication, without subjectivity, can be initiated. I am in touch with broad forces of society to gather their feelings, and in my proposals, I include what I deem are the basic positions of the Government of Mexico and sectors of society, on which the economic and political stability of the country rests.

Regarding the EZLN, I have done everything that is possible to stop the war and open paths for peace. Although I am totally opposed to your methods, I try to listen to your reasons and try to open paths that offer security to all, and in due time, possibilities for legal political participation for your organization. Regarding my personal political position, I have come to this land willing to seek a political solution to the conflict. I did it when violence was on the rise; I did it because I believe in the superior value of peace and the need for reconciliation. Like Benito Juarez, I believe that the best way to give vigor to the fatherland is by strengthening the Republic with free citizens, democratic institutions, just government, and adherence by all to the law.

Mexico and the world have listened to your reports of abuses, discrimination, injustice against Indians and peasants. There has also been a general rejection against violence. All political forces in the country are in favor of peace. On behalf of all the families that want peace and reconciliation, and aware of the complexity of the problem and solutions, I honestly tell you that this is the appropriate time to reach the best results. This is the moment to build a political solution. Many things can be achieved with the mobilization of society in favor of peace and justice. However, violence today would adversely affect society and would further divide the peoples.

From San Cristobal de las Casas, 18 January 1994

Congressional Sessions To Discuss Amnesty Bill

PA1801195094 Mexico City XEW Television Network in Spanish 0435 GMT 18 Jan 94

[From "24 Hours" newscast]

[Text] This evening legislators from the political parties that make up the permanent commission of the National Congress unanimously approved, with 29 members voting in favor of the motion, the holding of special sessions at the Chamber of Deputies and the Senate. During these special sessions they are to review and discuss the amnesty law proposed by President Carlos Salinas de Gortari.

Starting on 19 January for three days, special sessions will be held at the Chamber of Deputies and the Senate to discuss and approve the amnesty bill concerning the violent incidents in the Mexican State of Chiapas which was sent to Congress by President Carlos Salinas de Gortari.

The amnesty bill contains five articles. Basically the bill states that people who violated the law during the violence in Chiapas State between 1 January 1994 and 1100 on 16 January will not be arrested and prosecuted. The amnesty bill states that the attorney general will verify that the law is applied. Arrest warrants will be canceled and those being prosecuted will be released. The bill also states that in case there are any amparos filed regarding these incidents, the authority will dismiss charges and will declare the penal action ended. The people favored by the amnesty bill may not be arrested or prosecuted in the future for the Chiapas incidents.

Francisco Jose Paoli, National Action Party deputy, read the president's amnesty bill. One of its most important articles states:

[Begin Paoli recording] The individuals who are currently facing judicial action, inside or outside the country, as a result of the crimes referred to in Article 1 may benefit from the amnesty once they have surrendered all types of weapons, explosives, instruments, or other objects used to commit crimes. This must be done during the 30-day period following the enactment of the law at locations that will be announced at the proper time. [end recording]

Legislators from the Party of the Democratic Revolution demanded the discussion of various constitutional reforms during the special sessions to offer more integral solutions to the problems faced by the Indians in Chiapas State.

Legislators To Present Report on Chiapas

PA1901032194 Mexico City Radio ACIR Network in Spanish 0044 GMT 19 Jan 94

[Report by Jose Luis Sarmienta Avilas from the "Vector 21" newscast]

[Text] On Wednesday, the legislators who went to Chiapas State to collect information on the situation in the state will issue a report. The report will be presented to the Permanent Commission of Congress and to Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas.

Last week, Camacho Solis said he would go to Congress to learn the opinions of the two senators and 11 deputies from the six parliamentary benches who recently visited Chiapas to analyze the situation there. According to the agenda, the Permanent Commission of Congress will meet at 1000. Camacho Solis will then be presented with ideas and suggestions on how to resolve the Chiapas conflict.

Party of the Democratic Revolution [PRD] Deputy Alejandro Encinas, member of the group that traveled to Chiapas, has said that the group will propose measures in addition to the amnesty.

[Begin Encinas recording] I think the issue, regardless of the interests of the private sector, the government, and the political parties, is to outline the essentials—namely, the new relationship the state must have with Indian groups, a relationship that respects their autonomy and their traditions while acknowledging the Indian authorities as formal authorities, as well as the way in which the federation is integrated. [end recording]

At the conclusion of the Permanent Commission's meeting, the Chamber of Deputies and Senate will

simultaneously convene for a special session at 1200 [1800 GMT]. Later, at 1400, lawmakers from both chambers will join in a General Congress session to be informed of the presidential amnesty initiative for Chiapas.

Chiapas Provisional Governor Resigns

PA1801223794 Madrid EFE in Spanish 2149 GMT 18 Jan 94

[Text] Mexico City, 18 Jan (EFE)—Chiapas Provisional Governor Elmar Setzer presented his resignation to the state congress today. A Chiapas government source reported the congress has appointed Javier Lopez Moreno to replace him.

Setzer was appointed provisional governor in January 1993 when Governor-elect Patrocinio Gonzalez was designated government secretary.

Lopez Moreno is the second provisional governor in Chiapas and takes Setzer's place as a result of the armed conflict in the region.

New Governor Appointed

PA1901022494 Mexico City Radio ACIR Network in Spanish 0044 GMT 19 Jan 94

[Report by Maricarmen Camacho from Tuxtla Gutierrez, Chiapas]

[Text] This afternoon [18 January], the 58th legislature of the Chiapas Congress appointed Javier Lopez Moreno governor of Chiapas after Provisional Governor Elmar Setzer resigned. After being sworn in as governor, Lopez Moreno announced that the state's three branches will be installed as soon as possible in Ocosingo in an effort to deal with the institutional crisis in the state. The new governor promised to be frank and to deal directly with the Chiapas Indians and peasants, and he invited the people to confront the crisis with unity, genius, and hard work. He said he will hold the post of governor loyally and patriotically.

[Begin Lopez Moreno recording] I will take office with the state's legislative and judicial branches in Ocosingo as soon as possible. The new government will begin working in the middle of the conflict zone with all of the forces of Chiapas. [end recording]

The appointment was made by a congressional majority. The only vote against Lopez Moreno was cast by PRD [Party of the Democratic Revolution] Deputy Demostenes Munoz who, attempting to be funny and ironic, voted for Commander Marcos—the leader of the subversive actions in the jungle areas of Chiapas.

The new governor is of Indian heritage, and he was born in Tenejapa on 19 November 1946. He holds a law degree from the Mexican Autonomous University. He served as education and culture secretary during the government of retired General Absalon Castellanos Dominguez. For several years he was member of the PRI's [Institutional Revolutionary Party] National Executive Committee, where he held the posts of social action secretary, delegate to the Federal Electoral Commission, and head of the PRI's National Executive Committee advisers. In addition, he served as federal deputy for Chiapas during the 54th legislature of the Chiapas Congress.

Army Reportedly Holds Chiapas Highland Communities

PA1901030994 Mexico City Radio ACIR Network in Spanish 0044 GMT 19 Jan 94

[Bulletin No. 21 issued by the Mexican National Defense Secretariat on the situation in Chiapas on 18 January; place not given; from the "Vector 21" newscast]

[Text] In the Chiapas highlands, the Mexican Army continues to control San Cristobal de las Casas, Rancho Nuevo, Ocosingo, Altamirano, Las Margaritas, Comitan, and Oxchuc. The Army simultaneously does social work for these communities.

Residents of Las Islas, San Juan Tenampa, Santa Rita, common lands Eden and La Revancha, and delegates of the cattlemen's unions in Altamirano, Las Margaritas, Ocosingo, Comitan, and San Cristobal, have been reporting looting and cattle rustling by armed groups.

Costa Rica

President Vows To Continue Banana Producers' Fight

PA1801144394 Mexico City NOTIMEX in Spanish 1952 GMT 15 Jan 94

[Text] San Jose, 15 Jan (NOTIMEX)—President Rafael Angel Calderon said today Costa Rica will continue its struggle to get better conditions in European markets for all banana producing nations. Calderon regretted that Ecuador, Panama, Guatemala, and Honduras did not attend the 13 January banana producers' meeting in Costa Rica "to help find a joint position" against the commercial restrictions of the European Union (EU).

Last December the EU offered to increase the Latin American producers' annual banana import quota by 10 percent. The quotas were set last July at 2 million tons with a high tariff on the surplus. The EU also proposed to distribute 70 percent of its import licenses among these nations by establishing fixed quotas for each country. Through this mechanism Europe seeks the withdrawal of charges filed by the area's producers before a GATT panel.

Costa Rica summoned the banana producers to a meeting but Ecuador, Guatemala, Honduras, and Panama did not attend because they consider that any regional proposal should follow the GATT decision on the dispute.

Calderon told NOTIMEX: "Costa Rica will continue its struggle to get better conditions in the European market to benefit not only the Latin American nations but also the Caribbean producers." The president said that Colombia, Costa Rica, Nicaragua, and Venezuela will seek median formulas to guarantee a satisfactory solution for everyone.

Foreign Trade Minister Alberto Rojas said the problem was serious because "a GATT panel resolution did not obligate Europe and its enforcement could take years, with irreparable damage to the producers."

Roundup of Economic Developments Through 18 Jan

PA1901012694

[Editorial Report] The following is a compilation of reports on Costa Rica's economic developments monitored through 18 January. Source is cited in parentheses following each item.

Foreign Trade Minister Roberto Rojas has reported that, according to preliminary figures, imports amounted to $1.970 billion and exports to $1.975 billion in 1993. He noted that exports increased $400 million (17 percent) over the previous year. Rojas added that despite problems, banana exports had increased $40 million, meat exports $26 million, and plants and flowers exports $15 million. The foreign trade minister also reported that the GNP had increased 6.5 percent. (San Jose LA REPUBLICA in Spanish 8 Jan 94 p 15A)

Central Bank President Jorge Corrales returned from a meeting with IMF officials in Washington on 7 January. He reported that the fiscal targets for 1993 had not been met because the economic adjustment program had failed to yield an expected $95 million, which was to be used to replace domestic debt with foreign financing. He asserted, however, that the targets agreed upon with the IMF would be met easily and that the bank's international reserves amounted to $945.5 million on 31 December. He highlighted that revenue from exports, tourism, and foreign investment had covered payments for goods and services imports; the nearly total cancellation of the foreign debt, including $90 million owed to the Paris Club; and the increase of the country's foreign exchange reserves. (San Jose LA REPUBLICA in Spanish 8 Jan 94 p 14A)

Central Bank President Jorge Corrales reported that Costa Rica's economy registered a substantial increase of 6.3 percent in 1993. He said the effects of the increase were starting to benefit the people, and he cited a General Directorate of Statistics and Census report that revealed that 50,000 new jobs opened in the country last year, prompting prompted the percentage of poor people in the country to decrease from 24.5 percent in 1991 to 17.4 percent in 1993. Corrales said the unemployment rate was "one of the lowest in America—only 4.4 percent." He added that the consumer price index had decreased from 25 percent in 1991 to 9 percent in 1993 and that inflation had dropped from 12 percent to 9.8 percent. He said an important factor in the development of the country had been the drop in the public sector's overall deficit from 5.4 percent of GNP in 1990 to 2 percent in 1991, 1.4 percent in 1992, and 1.3 percent in 1993. (Mexico City NOTIMEX in Spanish 0027 GMT 13 Jan 94)

The government Exports and Investments Promotion Center today reported that North American countries bought almost 50 percent ($1.025 billion) of the country's total exports in 1993. The official organization reported that the second most important region was the European Union, which purchased 24 percent of the exports, while the Central American region bought 17 percent ($348 million) of the total exports last year. The center highlighted that exports to Mexico had increased from $17 million in 1992 to $63 million in 1993. Meanwhile, exports to Chile rose from $4 million in 1992 to $10 million last year. The export sector increased 17 percent last year mainly because of a rise in tourism, an activity that generated an average of $40 million a month, which is only surpassed by the nation's banana revenues. (Mexico City NOTIMEX in Spanish 1653 GMT 15 Jan 94)

El Salvador

Cristiani on Fuel Prices, Elections

PA1801222994 San Salvador Radio El Salvador Network in Spanish 1705 GMT 17 Jan 94

[News conference by Salvadoran President Alfredo Cristiani with domestic reporters and unidentified moderator at the Presidency in San Salvador—live]

[Text] [Unidentified reporter] Mr. President, there has been some speculation lately as to a possible drop in gasoline prices. Could you please confirm this and tell us how much? I also have another question. Has the government decided to support the candidacy of Costa Rican Foreign Affairs Minister Bernd Niehaus for the post of OAS secretary general?

[Cristiani] There is no final word on fuel prices yet. Right now we are in the final negotiations stage with the oil companies to open up or liberate oil imports or their finished byproducts. In other words, fuels that do not necessarily require handling by RASA [Autonomous Refinery of El Salvador]. RASA is an enterprise that has two of the main oil companies as shareholders. There is another oil company that has requested permission to import finished products. We have been waiting because this requires facilities and these are being built by the company in Acajutla. We believe the negotiations on how the free import scheme is to operate should be finished in the next two weeks. The government would still retain certain controls, although not in pricing.

This is a complicated matter not just because of refining but because of the San Jose Pact, which is an agreement between governments. We believe, however, that with the drop in oil prices it is quite possible that when the prices are liberated these in turn will drop. The question remains as to how much and I cannot say right now. Current prices are based on, I believe, $19 a barrel, and I understand the price is approximately $17 right now. Do not take these as hard and fast figures, but more or less this is the proportion. The idea is to take advantage of the liberalization and not have the government, like what has been done in the past, fix prices.

Regarding support to Bernd Niehaus' candidacy, an agreement was signed during the presidential meeting in Nicaragua, wherein we Central Americans pledged to support him. El Salvador continues supporting Bernd Niehaus' candidacy.

[Moderator] Jorge Barahona, Teleprensa.

[Barahona] [words indistinct] public workers will get a new wage increase. We would like to know when will this become effective and what will be the amount?

[Cristiani] We believe that the increase will be sometime in the middle of the fiscal year. We must remember the budget does not include a specified amount for wage increases. Savings, however, have been made from the time the budget was implemented to meet this increase. The other thing that must be taken into consideration is no amount has been decided on, but we would try to match the yearly inflation rate taking into account the latest rate and the projected one to try and ensure public workers are not unduly affected in their purchasing power, and that they even receive a real increase, like last year.

These are the overall parameters, but naturally, we have the defense minister [chuckles] [pauses] I mean the finance minister, who analyzes how the budget itself is executed. We are sure we will be able to grant a wage increase about the middle of the year. Logically, our administration ends 1 June, so we would have to decide on the increase before, even though it becomes effective after we leave office, but bear in mind that we cannot leave a budget problem for the new administration.

Regrettably, when we took office we were left with a completely unbalanced budget. You will recall that during the electoral campaign all public workers got an unbudgeted 200 colon increase. When the second half of the fiscal year came, which was when we took office, there were no funds. This became a very serious problem. We do not want to leave this sort of problem. If we grant an increase it will be because the funds are available.

[Moderator] Mauricio Ramirez from Megavision.

[Ramirez] Mr. President, in light of FMLN's [Farabundo Marti National Liberation Front] concern—the left-wing's concern about not having representatives in the department juntas, an FMLN delegation has traveled to the United Nations. Supreme Electoral Tribunal [TSE] magistrates have said the United Nations have no say in the country's electoral affairs. Would your government be willing to follow UN secretary general recommendations?

[Cristiani] We, as the government, have nothing whatosever to do with electoral topics. You must remember the peace agreements changed the Central Election Council to the TSE, raising the member to the rank of magistrate. The law specifies that the TSE magistrates are the only ones who can interpret or execute the electoral law. The electoral law is also the result of the peace agreements, therefore not only was it raised to the rank of tribunal and the peace agreements yielded an electoral code, but the TSE was formed as a formula resulting from the peace agreements. Perhaps we should take into account that the result is nothing more than what the TSE has considered the current law should be. We, as the government, have nothing whatsoever to do with this and do not plan to exert any influence one way or the other.

What has been done over the weekend was to hold an ARENA [Nationalist Republican Alliance] party meeting to study the FMLN-Democratic Convergence [CD] coalition request. We consider their claim as a political party is partly justified. I believe ARENA is going to do something about this. Their claim is partly

justified when one takes into account the complexity of the various coalitions or the ways they are participating in the elections, and this is where, I believe, the main problem lies, and where the TSE does not have much latitude.

Upon examining the electoral code and its reforms, perhaps what takes place every 15 years was not taken into account. In other words, if we think of elections only in terms of the president, or if elections for deputies and mayors are only held, which is what normally takes place in the country, then there would be no problem because it would be a single coalition, and therefore the current electoral code covers it. When studying this in comparison with ARENA, we saw there are gaps when both types of elections are held simultaneously every 15 years. We believe the FMLN-CD coalition is partly correct in their claim. We do not think their complete claim is justified; they want more than they deserve.

I am not going to take a stand on this now; this will be up to the party. ARENA is willing to discuss certain methods of resolving this problem. The United Nations is not in a position to interpret our electoral code. This task pertains only to the TSE. We believe it is a mistake to run and get outside help everytime a domestic problem arises. It is as if we need to complain to someone abroad and have someone resolve our problems. I think these problems need to be resolved domestically. To my way of thinking this has no other purpose than to stir things up for propaganda purposes. I repeat, the party studied this and their claim is partly justified. I believe this problem can be resolved.

[Moderator] Mr. President, the last question is from Mario Jovel from the "Up to Date" newscast.

[Jovel] Mr. President, which parties in the Electoral Code are you referring to when simultaneous elections for president, vice president, deputies and mayors are held? The other question is: Does the government have information on Salvadorans who could have suffered in the Los Angeles, California earthquake? The third question is: When will the deployment of the [words indistinct] in Santa Tecla and Cuzcatlan?

[Cristiani] When I mentioned the complexity of the electoral process, it was in regard to the following. There are problems with the diverse coalitions because in one department they can be participating as political parties—individually—however, at the same time they could be part of another candidacy within a coalition formed by those same parties in which they are participating individually. For example, in the San Salvador Department or at national level, the CD as well as the FMLN participate as political parties individually for deputies. Nevertheless, for the presidential ticket, they do not participate as individual parties; they participate nationwide as a coalition. We believe this can be partially resolved so all interests—individual as well as coalitions' interests—can be represented in the department juntas or have representation in the department juntas to oversee the interests of the individual party as well as of the coalitions. This would be without duplicating representatives because this would mean wanting to have more than what is allowed. This makes reference to all those who form a coalition.

Up to now we only have knowledge of seven different coalitions in seven departments. I am not sure how all of this has been worked out. They organized a mix up of sorts. They are running individually on one side and in a coalition on the other. It is legal to form coalitions, no one is questioning this; however, this is what has probably created the problem. In addition to the fact that the Electoral Code did not foresee these general elections for president, vice president as well as for deputies and mayors at the same time.

One has a tendency to think of the elections in terms of only for president and vice president or only for mayors and deputies. This has been the general rule. Nevertheless, any party that forms a coalition in this fashion—that is, a persons runs individually on one side and in a coalition for another candidacy—will face the same problem. I believe this can be resolved by having representatives on the juntas. This was analyzed within ARENA. The party has offered to do something to avoid problems with this.

What was the second question?

[Jovel] Do you have knowledge of Salvadorans who have been victims of the earthquake?

[Cristiani] We have not had any report on this so far. We are waiting for our Los Angeles, San Francisco consul to report to us, probably through the Foreign Ministry. For the time being, we do not have any information.

[Words indistinct] The new deployment will take place this week. I believe today approximately 300 new agents will graduate from the Academy. They are always granted a couple of days to prepare for the serious issues they will have to face. As the saying goes: Dating is a different thing than living with someone. [laughter]. The Academy is one thing and once they are out on the streets, it is something else. They are given two days to strengthen themselves morally and rest up. We expect to initiate the new deployment in those two municipalities this week.

We would like to leave you now with the finance minister. He will make a couple of announcements and then he will take your questions.

Onusal Denies Plans To Leave Country After March Elections

PA1901001394 San Salvador Canal Doce Television in Spanish 0300 GMT 18 Jan 94

[Report by Mario Jovel from the "Up to Date" newscast]

[Text] Augusto Ramirez Ocampo, chief of the UN Observers for El Salvador [Onusal], has clarified that his

mission will leave the country at the conclusion of the peace agreement verification process and not immediately after the elections, as one local newspaper has reported. According to the diplomat, the Onusal mandate will continue past the March elections.

[Begin Ramirez Ocampo recording] Onusal's obligation is to verify the peace agreements, and therefore Onusal's duration is determined by compliance with the agreements. [end recording]

Ramirez Ocampo said the concern some political sectors have over the limited number of party representatives on department boards has been resolved by a bill that the Supreme Electoral Tribunal presented Monday to the Legislative Assembly.

According to the Onusal spokesman, the bill states that all the parties, including the coalitions, can have a party representative in both the department and the municipal boards.

[Begin Ramirez Ocampo recording] It is obvious that no party can be deprived of representation, but it is also obvious, I believe, that there cannot be more than one representative. This means that it is important that all contending political parties are represented equally at the electoral department boards. [end recording]

As Ocampo sees it, it must be guaranteed that the electoral department and municipal boards function legally.

Human Rights Leader on Death Squads' Actions

PA1801202094 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 17 Jan 94

[Report by Imelda Alvarenga; from the "Facing the Moment" newscast]

[Text] The Catholic Church has reported that at least five persons, including two regional FMLN [Farabundo Marti National Liberation Front] leaders, were assassinated death-squad style last week. The information was reported by Father Jesus Delgado, who issued an appeal during yesterday's homily on ending the violence as soon as possible.

Meanwhile, Camelia Cartagena, member of the Human Rights Commission's directorate board, today endorsed the Catholic Church's report, adding that various people who have been assassinated and found without their documents were victims of paramilitary groups.

[Begin recording] [Cartagena] As far as we are concerned, all those who are found without their documents, with their hands tied, and with signs of torture are victims of the death squads. Hence, we agree with the Catholic Church's statements.

[Alvarenga] How many reports have you received so far? [Cartagena] I cannot give you figures because I do not have the year-end statistics on hand. The ideal thing would be to give you that information. However, I can tell you we have a large number of cases and the figure coincides with those given by the Catholic Church. [end recording]

Camelia Cartagena said the Human Rights Commission this week will issue a detailed report on human rights violations. Moreover, the humanitarian leader urged that the agreements concerning the Civilian Police installation and justice management have failed to achieve enough progress.

Camelia Cartagena reported that members of the much criticized Commission for Criminal Affairs and the Antidrug Trafficking Unit joined the Civilian Police without a proper evaluation.

Guatemala

Army Denies Advising Mexican Army on Counter Insurgency

PA1901025194 Panama City ACAN in Spanish 2106 GMT 18 Jan 94

[Text] Guatemala City, 18 Jan (ACAN-EFE)—Today, Tuesday [18 January], the Guatemalan Army denied advising its Mexican colleagues in the counter insurgent struggle; although it admitted holding routine meetings ever since the peasant rebellion began in the southern Mexican state of Chiapas.

Guatemalan Defense Minister General Mario Enriquez said Mexico does not need "our experience" of more than 30 years fighting the Guatemalan guerrillas, and that the meetings held have been the usual ones.

The dailies PRENSA LIBRE and SIGLO VEINTIUNO, who quote sources close to the Army, said high-ranking Mexican military officers had been to Guatemala in early January and they had travelled to Ixcan, an area of conflict located in the northern Quiche Department.

"To provide military advice is a political decision. If the Mexican authorities request it, I must ask the president for authorization," the minister said, pointing out that the meetings were not about the Chiapas situation.

Gen. Enriquez denied Guatemalan military officers had travelled to Mexico to learn about the situation caused by the Zapatist National Liberation Army (EZLN) rebellion, although he said that way "we would have more reliable information." In relation to the surveillance along the area bordering Mexico, he reiterated the troops remain in a state of alert because the Guatemalan National Revolutionary Unity (URNG) "has concentrated its forces in that area."

The military command in Huehuetenango is coordinating surveillance in the border area, which has been

divided into seven zones, and therefore, "it has not been necessary to send reinforcements," according to Army spokesperson Edith Vargas.

As of 5 January, the EZLN rebels have been in Guadalupe Tepeyac, some 800 meters from the Guatemalan border, north of Huehuetenango Department. In this area, Military Zone No. 19 is in charge of security and defense but the border is also guarded by troops and detachments which depend on the central military zones located in the northern Quiche, Alta Verapaz, and Peten Departments.

According to the Guatemalan defense minister, "the entire border is a shield for subversion. We fight them in Ixcan and they show up in Mexico," where military intelligence has detected hospitals for treating the guerrillas as well as arms caches.

The daily SIGLO VEINTIUNO quotes a Guatemalan military document which says the arrest of a "terrorist criminal" in Cacahuatan, Chiapas in July 1984 led to the dismantling of a "clandestine surgical hospital."

Enriquez ruled out the URNG as having the capacity for organizing a rebellion like the EZLN rebellion in Chiapas State on 1 January because "it is militarily weak." He also said Guatemalan military attaches in Mexico have not reported on the alleged Guatemalan guerrillas who were fighting with the Zapatists, and he voiced concern about the arrest of Dr. Ruben Alejandro Bailey. The medical doctor was arrested on 10 January and accused of forming part of the Revolutionary Workers Clandestine People's Union Party (PROCUP), which the Mexican authorities have accused of terrorist actions.

Demonstrators Demand Suspension of 30 Jan Referendum

PA1801231494 Mexico City NOTIMEX in Spanish 2345 GMT 17 Jan 94

[Text] Guatemala City, 17 Jan (NOTIMEX)—Some 100 Guatemalans participated in a demonstration today in front of the Supreme Electoral Tribunal (TSE), demanding the suspension of the 30 January referendum which seeks the introduction of constitutional reforms.

The demonstrators—who were led by the Mutual Support Group (GAM), which is striving for the return of 45,000 people who have been victims of violent actions—asked the TSE not to validate "the settlement between the Executive and Legislative Branches" through the referendum.

Late in 1993, the TSE announced a referendum that would allow 3.429 million voters to approve or reject reforms that seek to shorten the terms of the Executive and Legislative Branches.

According to the multisector social forum that comprises various civilian groups, the referendum is only a result of the demands and pressure exerted by the IMF and the IDB [Inter-American Development Bank], both of which are compelling the government to sell various state enterprises.

The Labor and Popular Action Union (UASP) issued an appeal to all groups, urging them "to comprise a united front that rejects the settlement that is about to take place."

On 16 November the executive and legislative branches agreed to introduce the reforms, thereby ending a confrontation which began on 27 September—when President Ramiro de Leon Carpio requested the resignation of 116 deputies.

GAM leader Nineth Montenegro issued an appeal to the Guatemalan people, urging them to abstain from voting on 30 January because the very act of voting will legitimize a settlement between the government and the congressmen. If the referendum—which was proposed by the Executive Branch, endorsed by Congress, and announced by the TSE—is approved by a majority, the reforms approved will be enforced 60 days after the TSE announces the results.

The current Legislative Branch should conclude its term on 14 January 1996, but, because of a dispute with the Executive Branch stemming from former President Jorge Serrano's self-inflicted coup on 25 May, the legislators' removal was brought up. Provisional legislators will only remain until January 1996, when congressmen elected in the 1995 general elections should assume their posts. President de Leon Carpio's successor must also be elected on this occasion.

Roundup of Economic Developments Through 18 Jan

PA1801152094

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 18 January. Source is cited in parentheses following each item.

Willy Zapata, president of the Bank of Guatemala, BANGUAT, announced on 10 January that the Monetary Board has authorized BANGUAT to obtain loans for up to $260 million from foreign credit institutions in 1994. (Guatemala City PRENSA LIBRE in Spanish 11 Jan 94 p 70)

BANGUAT authorities have reported that the annual inflation rate as of 31 December 1993 was 11.64 percent, more than two points below the 1992 inflation rate of 14.22 percent. The same sources noted that the goal established by the Monetary Board was met, as inflation was kept below 12.5 percent. (Guatemala City SIGLO VEINTIUNO in Spanish 12 Jan 94 p 5)

Finance Minister Richard Aitkenhead Castillo confirmed on 14 January that the World Bank has authorized the second disbursement of funds for the Economic Modernization Program it signed with Guatemala in

1992. Aitkenhead added that in the next few days Guatemala will receive $25 million to be invested in social projects. The total credit is for $120 million, of which $48 million have already been disbursed. (Guatemala City SIGLO VEINTIUNO in Spanish 15 Jan 94 p 6)

Honduras

President-Elect Reina Previews Goals of U.S. Trip

PA1901033494 San Pedro Sula LA PRENSA in Spanish 18 Jan 94 p 5A

[Article by Fasutino Ordonez B.]

[Text] Yesterday, President-elect Carlos Roberto Reina guaranteed he will not return from the United States with a lot of "hard blows" against the people. Reina said that from now on "firm negotiations" will prevail during the meetings he will hold with the international financial organization. Reina is also scheduled to meet with either President Bill Clinton or Vice President Al Gore.

Rafael Leonardo Callejas' successor will travel to Washington tomorrow accompanied by his economic cabinet. This is considered a very important step as he will analyze future relations with the financial institutions that forced the Nationalist to adopt unpopular measures.

Reina said: "I am opposed to more blows against the people. This situation will be dealt with through firm negotiations, presenting solid arguments by prepared advisers. These advisers must find just and correct ways to solve the negative figures my government will have to face."

Reina said he will go on his trip with a different mentality, believing that the international institutions will understand his desire to "give a humanistic image" to the effects of Callejas' economic measures. This is why "I hope these meetings will be very productive for projects aimed at developing our country," he noted.

For the president-elect, the meetings he will hold with high ranking officials of the U.S. Government are "of significant importance and benefit for bilateral relations between Honduras and the United States."

During the week, the president-elect asked his economic cabinet to analyze the state's finances in order to present a report to the multilateral organizations. This type of information "is fundamental to clarifying all the conditions imposed by the international organization and as a support to our moral revolutionary project," he explained.

With reference to U.S. exerted pressures, Reina said that "you cannot demand a friendly government to make sacrifices with such high political costs. If they want to help, they will lend us their hand. That friendly hand will help our country resolve this truly sticky situation." In Reina's opinion "the international organizations are not hard, that attitude belongs to the cold war era."

Upon his arrival, the president-elect will meet with John Spero, secretary of negotiations and economic matters of the State Department. Early tomorrow Reina will meet with envoy Charlene Barchefsky, from the Treasury Department; Carlos Munoz, chief of the Central American Division; and Julio Suarez, advisor to the executive director.

Immediately thereafter, the president-elect will meet with Jeffrey Shafer, assistant (international affairs) secretary of the Treasury Department, and then he will have lunch with Enrique Iglesias, president of the Inter-American Development Bank. In the evening, the Honduran delegation will have dinner with senators and congressmen.

On Thursday, Reina will breakfast with the members of the Council of the Americas and following that he will meet with Brian Atwood, under secretary for Management, State Department. At noon, Reina will lunch with Kathleen Hennesy, a State Department official, and in the afternoon he plans to meet with President Bill Clinton or Vice President Al Gore.

Discua Says Changes To Be Made in Army Command

PA1801174294 Tegucigalpa EL HERALDO in Spanish 17 Jan 94 p 9

[Text] The Armed Forces are preparing to implement a series of changes in the institution's command, not "purges or shakeups," Armed Forces Chief General Luis Alonso Discua Elvir confirmed yesterday. "If changes are to be made, this is definitely a responsibility of the commander in chief which is clearly established in the Law Governing the Armed Forces," Discua stated.

Discua Elvir asserted he will meet this week with commanders individually "to define forces' organization," work plans, and the changes that will be made. The military chief described as errors and speculation the reports on the ratification of all military chiefs in the northern part of the country. According to the general, there will be few changes and no "shakeups," as happened last year.

Additionally, the Armed Forces chief said the new national defense and public security minister will be named by President-elect Carlos Roberto Reina, not by the military leadership, as has always occurred in the past.

Discua Elvir ruled out a rebellion by officers against him in view of the announced changes or the situation prevailing within the institution. Although he said he does not exercise control over everybody, he has his "working team," because a man is unable to have more than 10 people under his command. These 10 men, he

stated, "are responsible for disseminating all the information an executive can give."

Meanwhile, Discua Elvir explained that the election of the new congressional president is an internal affair of the Liberal Party of Honduras [PLH], but he said he hopes "everything is done to benefit" the people and that political party. Discua Elvir concluded that the PLH will initiate a strong government, "with clear ideas and objectives."

Roundup of Economic Developments Through 18 Jan

PA1801131794

[Editorial Report] The following is a compilation of reports on Honduran economic developments monitored through 18 January. Source is cited in parentheses following each item.

Official sources said Honduran banana production will drop by 5 million cases—18 kg each—in 1994. According to official estimates, Honduras will produce 35 million cases in 1994, compared to 40 million produced in 1993. The reasons given for this were floods at the end of 1993 and EC protectionist measures. (Panama City ACAN in Spanish 1637 GMT 12 Jan)

Honduran international reserves dropped approximately $100 million during the past few months, to the point that there are only $131 million in the Central Bank vaults. This is only enough foreign exchange to back imports for one month, official sources reported on 12 January. (Panama City ACAN in Spanish 1632 GMT 12 Jan 94)

Finance Ministry official William Chong reported that the government failed to collect 1 billion lempiras in taxes, including sales and income taxes. Chong admitted that this is due in part to corruption and irregularities in the Customs Department. (Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 13 Jan 94 p 3)

Nicaragua

Social Democratic Party Expels Holders of Government Posts

PA1901001594 Managua BARRICADA in Spanish 18 Jan 94 p 8

[Text] Guillermo Potoy and Alfredo Cesar, president and secretary of the Social Democratic Party [PSD], respectively, have decided to expel, without prior consultation, all PSD militants holding government posts as well as PSD deputies who have decided to again take up their parliamentary posts.

Potoy and Cesar adopted this decision because this past Sunday, the PSD National Executive Committee issued a document calling for the election of new party authorities and backing the reforms to the Constitution. The expelled PSD members will give a news conference today.

Government Earmarks $400 Million for Production Program

PA1901044494 Managua LA PRENSA in Spanish 15 Jan 94 p 12

[Report by Fidelina Suarez]

[Text] The announcement that the government has given priority this year to production and that resources to promote it total approximately $400 million has caused a positive reaction from the private sector, which met yesterday with Pablo Pereira, economy and development minister.

Ramiro Gurdian, Cosep [Council of Higher Enterprise] president, made the statements at the end of a meeting during which Economy and Development Ministry officials explained to representatives of the private sector the production program for this year, which should actually correspond to the available resources and human capability.

The economy minister reiterated: "We are trying to create appropriate financial and production programs. We are also reviewing the possibilities to obtain resources so as not to create expectations when resources are limited."

During the year, the government plans are aimed at promoting areas the private sector identifies as potential production areas, such as shrimp hatching and fisheries, as well as products of nontraditional crops.

Pereira explained that the financial resources will come from the very payments made by debtors to the financial system, savings deposited in banks, and foreign resources obtained from the Central American Integration Bank (BCIE), the Inter-American Development Bank (IDB), and other external sources.

Meanwhile, the Cosep president said the organization prepared, together with Economy and Development Ministry authorities, an agenda that will be reviewed weekly to discuss what he called "bottlenecks" that may appear in the production area.

"The reality is that we must all work this year without thinking about goals; if the growth expected by the government is achieved, then welcome it," he added.

Gurdian stated that Cosep has asked the government about the need to revise the value of the cordoba, energy and diesel costs, and production costs in general.

Meanwhile, Industries Chamber President Alberto Chamorro highlighted the determination with which the government is tackling the microaspects of the economy, such as production.

Chamorro predicted a boom in the fishing and food and beverages sectors.

Panama

PDC President Accuses Former Comptroller of Favoring IFIS

PA1901023194 Panama City Telemetro Television Network in Spanish 1730 GMT 17 Jan 94

[From the "Telemetro Reports" newscast]

[Text] Christian Democratic Party [PDC] President Raul Ossa accused Ruben Dario Carles, former comptroller general and current presidential candidate, of surreptitiously paying off the IFIS [International Financial Institutions] while forfeiting the country's health, education, and economic stability.

[Begin recording] Our position has been quite clear. It is a fact that Mr. Carles chose to pay off the IFIS, even to the point of breaking the law. I have the letter he signed whereby he surreptitiously paid off the IFIS behind the back of the National Assembly Budget Commission. In doing this, he denied equipment to schools, the 13th month bonus to public workers, and medication to hospitals. He did all this while at the same time he paid off the IFIS.

In this respect, we believe this is not the type of policy which will be healthy for Panama. We believe Panama must honor its commitments to the IFIS. At the same time, however, we must honor the country's social debt, create more employment, provide more equipment for schools, more education for the people, medication to hospitals, and raise the retirement age. Carles does not intend to do any of this. He represents the denial of all of this.

Argentina

Former Chamber of Deputies' President Pugliese Dies

PY1801174694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1256 GMT 17 Jan 94

[Text] Tandil, 17 Jan (NA)—Juan Carlos Pugliese, a former Chamber of Deputies president, died today at 0900 in Tandil, his home town, where he lived since giving up public functions.

Pugliese was admitted to a local hospital by mid-week last week.

He was the president of the Chamber of Deputies from the reestablishment of democracy in 1983 to 1989 when he left to become economy minister during the final stretch of the Raul Alfonsin administration.

Chief of Staff Discusses State of Army

PY1901015394 Buenos Aires LA PRENSA in Spanish 18 Jan 94 Section 1 p 6

["Exclusive" interview with General Martin Balza, the Army chief of staff, by Laura Luz Ojeda in Mar del Plata "before leaving for Croatia"]

[Text] [Ojeda] What is the Army's current situation?

[Balza] It is a motivated Army that has much faith in the future, but is dynamically working in the present and complying with this year's projections. For example, now we are conducting courses in the training and advanced studies institutes, preparing the groups that will replace our men in Croatia, Cyprus, and Kuwait. I believe that I view the Army the way in which the society to which we belong and serve views it.

[Ojeda] What is the Army's relationship with the current government?

[Balza] It is the proper relationship for an armed force with the authorities it must serve. It is a relationship of total subordination, within a framework of respect and much understanding.

[Ojeda] Do you agree with the budget allocated to you?

[Balza] This is a confidential issue that I discuss exclusively with the defense minister. I may actually say that we already are working under the 1994 budget and that there has been an increase that allows us to view the tasks scheduled for this year with much optimism.

[Ojeda] Are you not viewing a progressive shrinking in recent times as far as Army personnel are concerned?

[Balza] I am absolutely not viewing a shrinking Army. Quite the contrary, I view an Army in which quality prevails over quantity and training prevails over weakness. It is a trained and motivated Army, with great experience, an Army in which our men, who are carrying out peace missions, are being greatly enriched both technically and culturally.

[Ojeda] What is your armament level?

[Balza] We have enough weapons to train ourselves. More detailed points on this issue are already confidential.

[Ojeda] What is your opinion of the fact that Argentine forces will have to remove the mines in the Malvinas Islands?

[Balza] The information I have is that supplied by the media. We have not received any orders in this regard and the defense minister was very clear on this point.

[Ojeda] Will military service remain compulsory?

[Balza] This is a political decision. It is society, through its legislators, that will determine this. Neither the Armed Forces nor the Army will determine this. If a volunteer system is implemented, many things would have to be changed, but thus far our legislators have not contemplated the possibility of abolishing the conscription system.

[Ojeda] In your opinion, should it or shouldn't it be compulsory?

[Balza] All NATO countries, with the exception of the United Kingdom and some other principalities, have compulsory military service. The same applies for the former Warsaw Pact countries and American countries, with the exception of the United States, Canada, and Uruguay. Therefore, this system has been chosen almost everywhere in the world.

[Ojeda] What is your opinion of Scotland Yard and the investigation it has conducted in our country?

[Balza] This issue is not linked to the Army. If the British authorities believe that any of their soldiers violated the Geneva Convention, they must conduct the investigations they deem appropriate, but this issue does not involve us.

[Ojeda] When will the replacement be implemented in Croatia?

[Balza] In late February. I will leave on 19 January to visit the troops there, the new positions, and the two seriously wounded men we have there in order to decorate them in the name of the Army. Afterward, I plan on briefly visiting the men who are building roads in Kuwait. I would like to emphasize that all of us Argentines should feel proud of the conduct of our men-at-arms who are carrying out missions abroad in UN organizations, helping world peace.

Bolivia

President Sanchez de Lozada Participates in Mercosur Summit

PY1801191094 La Paz Television Nacional Network in Spanish 0100 GMT 18 Jan 94

[Excerpt] President Gonzalo Sanchez de Lozada arrived on 15 January in Laguna de los Patos Airport in the Uruguayan city of Colonia. There he was met by the Colonia mayor and then talked to the press.

[Begin recording] [Sanchez de Lozada] Well now, we hope for informal and frank bilateral approaches and approaches with Mercosur [Common Market of the South]. We hope we will be able to approach this market that is so important for Bolivia and that will become more important in the future.

[Unidentified reporter] The Uruguayan press announced during the past few hours that Presidents Lacalle, Menem, and Wasmosy [of Uruguay, Argentina, and Paraguay, respectively] reportedly have virtually accepted Chile's and Bolivia's entry in the near future.

[Sanchez de Lozada] Well now, we have some problems because we are still part of the Andean market. We do not want to quit this pact. Nevertheless, we would like to become a hinge and actually be received by this agreement. If there is such a political will, it would be something good, but we will wait for this to become official. If it becomes official, we will consider it with much interest. [passage omitted] [end recording] [passage omitted]

Sanchez Discusses Sea Outlet, Waterway, Mercosur

PY1901110994 La Paz Television Nacional Network in Spanish 0100 GMT 19 Jan 94

[Text] President Gonzalo Sanchez de Lozada believes all alternatives must be sought for a sea outlet. He said this when he arrived in our country after participating as a guest observer in the fifth summit of Mercosur [Common Market of the South] countries.

As soon as he disembarked from the airplane, President Sanchez de Lozada said the remarks he made in Colonia were misinterpreted. In Colonia, he pointed out that Bolivia had finally discovered its sea outlet through the waterway and that, referring to the Pacific Ocean alternative, we had been looking in the wrong direction:

[Begin recording, in progress] ... in a wrong way. It was an ironic, allegorical sentence, saying that, through the waterway, we may hint at a sovereign outlet in a multinational way because we would be using a Bolivian port through which we would directly reach the Atlantic Ocean.

Now then, this does not mean, as some people wanted to interpret, that we have neglected our Amazon or Pacific destiny. We have not neglected our Pacific reality, the necessity of linking part of Bolivia, all of Bolivia, with the Pacific ports and the Amazon region. That is another sea outlet. [end recording]

For the president, the outlet to the Atlantic Ocean through the waterway is of great economic importance to our country because agricultural products, raw materials, and even manufactured products may be exported.

Concerning Mercosur's acceptance of Bolivia as a guest observer, journalists asked the president if this would entail a departure from the Andean Pact:

[Begin recording] We must talk with the Andean Pact people and see if there is a way of approaching Mercosur without losing contact with that Pacific bloc.

These are things that we must view wisely, but our policy is very effectively and very resolutely aimed at becoming a Mercosur member. [end recording]

The president also mentioned that a tripartite agreement among Argentina, Paraguay, and Bolivia has been reached to resolve the Pilcomayo River's environmental problems.

Deputy Charges DEA Maintains Safe Houses for Torture

PY1801192994 La Paz Television Nacional Network in Spanish 1700 GMT 18 Jan 94

[Text] ASD [Democratic Socialism Alternative] Deputy Jerjes Justiniano has reported the existence of safe houses in Santa Cruz where DEA agents torture drug traffickers to obtain information. Minister of Government German Quiroga has denied this possibility.

[Begin Quiroga recording] Hugo San Martin, a national government secretary was sent to Santa Cruz. He spent 15, 16, and 17 January looking for these alleged safe houses together with the local prefect. They found none. They found places where the Special Antinarcotics Forces [FELCN] and DEA work, but they found no safe houses. [end recording]

The minister of government has asked Deputy Justiniano to provide the address of these safe houses.

[Begin Justiniano recording] Here is the proof. The newspaper HOY found a safe house in Santa Cruz. Here is the full address; 240 Rene Moreno Street, opposite Blacutt Square. The house belongs to Mrs. Pura Bowles de Fernandez. This was verified by national and Santa Cruz press sources. Journalists visited this house and confirmed this. What other evidence do you want? I am not a policeman. It is the duty of the Interior Ministry to make pertinent investigations. If they do not know about this, they are either accomplices or foolish. [end recording]

Minister Quiroga nonetheless insists that safe houses do not exist because even U.S. Ambassador Bowers has assured him of this.

[Begin Quiroga recording] I have spoken with the U.S. Ambassador to express the Bolivian Government's concern over this subject and he has assured me that such charges are not true. Neither the DEA nor the U.S. Embassy acknowledge the existence of this kind of safe houses in the country. [end recording]

The minister of government reported that he asked Deputy Justiniano to join the delegation that went to investigate the existence of these safe houses but that he did not want to accompany the group.

Brazil

* Recent Military Gains in Political Arena Viewed

94SM0167A Sao Paulo ISTOE in Portuguese 15 Dec 93 pp 23-25

[Article by Jayme Brener, Luciano Suassuna, and Helio Contreiras: "Kepi on the Forelock"; introductory paragraph in boldface as published]

[Text] **The military are criticizing the Federal Supreme Court, reversing cuts included in the economic package (with Itamar's support), and invading the political arena.**

"If we should be forced to leave our bleached bones on the desert trails in vain, beware the wrath of the legions!" That simple expression of feeling to a cousin has lifted Centurion Marcus Flavinius (a centurion was a kind of second lieutenant in ancient Rome) from obscurity and given him a place of honor in the most daring operation by the Brazilian military since the end of the dictatorship in 1985. In only 36 hours—between dinner on Tuesday the 7th and lunch on Thursday the 9th—the high command used veiled threats to prevent a 40-percent cut in its budget of 21.1 billion cruzeiros (at April prices). The cut had been part of Minister Fernando Henrique Cardoso's economic package. In a pincer movement, the military condemned the Federal Supreme Court's decision not to strip former President Fernando Collor de Mello of his political rights and severely criticized the immobilism of the CPI [congressional investigating committee], which cannot decide how to punish the corrupt deputies. The hardest blow in that operation—an operation aimed at occupying space in the confused Brazilian political arena—came in a speech by the Army chief of staff, General Benedito Onofre Bezerra Leonel, on Thursday. He resurrected Centurion Flavinius and the latter's threats during what was supposed to have been a peaceable ceremony for presenting commanders' swords to new general officers in Brasilia. "It is essential that we—like our patron Caxias—know how to protect the nation from itself," was the shot fired by the general, 63, who served originally in the artillery. Considered a hard-liner, he built his career alongside former Minister of Army Leonidas Pires Goncalves, and he was selected to add more, let us say, emphasis to the message. At the commemoration of Air Force Day on 23 October, Fernando Henrique had assured Minister of Army Zenildo de Lucena that the military would not be affected by the cuts built into his budget package. By failing to keep his word, Fernando became the most probable target of the section of Gen. Benedito Leonel's speech in which the latter talked about "irresponsibility, crooked dealing, and disrespect for our most important values."

Benedito (or Benedictus) Leonel concluded his speech by saying: "The time has not yet come for us to identify with the anguish of Marcus Flavinius." But the high command's howitzer had already hit its target: the government's strongbox. With the support of President Itamar Franco, who chose to diminish the credibility of his minister of finance and virtual candidate for president of the republic, the military have guaranteed that their uniforms will be safe from the effects of a package that is going to tighten the belts of ordinary Brazilians. Whereas the other ministries will have to work hard to stick to the $22 billion in cuts promised by the president, the Army, Navy, and Air Force will keep their three strategic projects: the nuclear-powered submarine, the space program, and the Italian-Brazilian AMX fighter plane.

Operation "Kepi on the Forelock" was unleashed at the very cabinet meeting where the budget cuts were discussed: on Tuesday the 7th. "No, I don't agree. Would you like to have your pay cut in half?" Minister of Navy Ivan Serpa asked the head of the Planning Secretariat, Alexis Stepanenko. "I am doing what the president ordered. Why should he spare you?" Stepanenko shot back. He soon found out why.

The next day, Serpa made it a point to let his irritation be known far and wide. Choosing Serpa to be the spokesman for military discontent was a deliberate move: he is one of the ministers closest to Itamar Franco. He headed a threat of collective resignation by the military ministers, a resignation that would have had unforeseeable consequences. And Gen. Zenildo de Lucena, who had kept a low profile at the start of the controversy ("we get along the best we can" was his comment), delivered to the president a statement explaining why it was necessary to stick to the original budget. In his document, the minister warned that the cuts would cause a situation even more serious than that in 1992, when there was not enough food and soldiers were excused from duty early in the afternoon so they would not eat a second meal at the barracks. For its part, the Navy sent a lengthy document out in all directions explaining the extent of its crisis.

Every officer and every barracks became a trench in the operation unleashed by the senior officers. "The cuts will shut the Army down," said Army spokesman General Gilberto Serra in dramatic overstatement. "The Air Force's reserve supplies are nil," said the presiding judge of the Superior Military Court, General Cherubim Rosa

Filho. "The FAB [Brazilian Air Force] has reached the bottom of the barrel in terms of operational effectiveness. It can conduct emergency operations only, and is not in condition for combat," he said in conclusion. "In terms of efficiency in Latin America, our Armed Forces are superior only to the military of Uruguay, Paraguay, Colombia, and Bolivia," said military analyst Roberto Lopes in agreement. Brazil ranks 73d among 140 countries in terms of military spending per capita. Each Brazilian spends $7 per year on his uniformed fellow citizens, compared to $55 in Chile. Cutting off military spending at the root would also throw a spadeful of lime onto the reeling Brazilian arms industry. "We would certainly have to close one of our firms: Aeroelectronics, which manufactures components for the AMX fighter," said Claudio Vianna, president of the Rio Grande do Sul group Aeromot.

At the Rio de Janeiro Military Club on Wednesday the 8th, the disagreement seemed likely to pass from words to action. Members of the reserve joined with mothers, wives, and children in an attempt to organize a march protesting low pay. A sergeant 3d class in the Army was earning 80,866 cruzeiros in November, while a private had to be content with 8,670 cruzeiros. The protest was halted by the arrival of General Bayma Denis, commanding officer of the Eastern Command. In accordance with instructions from the minister of Army, he tried to calm people down, but a degree of dissatisfaction remained. "There is no reason for us to stifle all the anguish among the troops," one officer commented.

Despite the rising temperature, almost no one mentioned a coup during the crisis. "The military have no plan to take power as they did before 1964, even though Brazilian society does not know what it wants from the Armed Forces," says analyst Roberto Lopes. The idea of a military mutiny was restricted to pockets of radicals such as the group headed by reserve Colonel Pedro Schirmer of Rio de Janeiro, who publishes the newspaper OMBRO A OMBRO and supports "energetic and bold measures even if they contradict false precepts that are allegedly democratic." In recent months, Schirmer's little group has been lining up with other coup-minded Latin American groups. His newspaper receives articles from Argentine "cara pintada" Mohamed Ali Seineldin, who is serving a life sentence, and General Francisco Efrain Visconti of the Venezuelan Air Force, who is in exile in Peru.

But rejection of a coup did not mean that the high command would no longer engage in politics. Quite the contrary. Minister Zenildo de Lucena himself breached his strictly military image by criticizing the Federal Supreme Court's vacillation about confirming the revocation of former President Collor de Mello's political rights. "As a Brazilian citizen, I was disappointed," the general said on Thursday the 9th. "We military men would never do that," agreed Admiral Arnaldo Pereira, chief of the EMFA [Armed Forces General Staff]. Taking advantage of that instance of impunity, General Luciano Casales, deputy chief of the EMFA, aimed a few projectiles at Congress. "The cost of the Armed Forces to Brazilian society is less than that of the corruption uncovered by the CPI's, including overbilling and tax evasion," he told ISTOE.

The civilian politicians have acknowledged the truth of what he says. "Their criticism is real. The country will not stand for it if the CPI leads to nothing, but I find the tone of some statements very worrying," said Deputy Jose Genoino (PT [Workers Party], Sao Paulo), a former guerrilla fighter in Araguaia who now has easy access to the military. And Senator Jarbas Passarinho (PPR [Progressive Renewal Party], Para), a colonel in the reserve who went over to the legislative branch and now heads the CPI on the Budget Committee, admits that "the major new development is the fact that the military are talking about politics, something that did not happen under the Collor administration." True, but Operation "Occupy Space" began before the crisis. At the end of November, a group of military lobbyists coordinated by Gen. Benedito Leonel and his legionnaires met with about 30 heavyweight businessmen at the headquarters of the FIESP [Sao Paulo State Federation of Industries] in Sao Paulo. The businessmen included the president of the FIESP, Carlos Eduardo Moreira Ferreira; and the president of the National Confederation of Industry, Senator Albano Franco. The purpose was to gain support among the businessmen for some of the dogmas dear to the military, one example being the continuation of compulsory military service.

The yearning by the military to enter deeply into the field of politics seems to have grown stronger in response to the absolute political vacuum accompanying the crisis following the announcement of Fernando Henrique's economic package. Congress, for example, has been unable to express itself as an institution—unlike the situation during Jose Sarney's administration, when Minister Leonidas Pires threatened the Constituent Assembly and encountered resistance from Deputy Ulysses Guimaraes at the head of the legislative branch.

President Itamar Franco's open support during the current crisis has also encouraged the military. At the traditional yearend luncheon for the chief of state and the principal commanders of the Armed Forces, which was held in Brasilia on Thursday the 9th, Itamar tried to belittle the civilian government by overstating the role of the military. "I have been trying to lead the administration in search of new paths, but I am forced to confront terrible obstacles," the president said, hinting that the terrible forces in question were impunity and the selfishness of the politicians.

The mutual attraction between Itamar and the military is not new. When he served two terms as mayor of Juiz de Fora in the 1960's and 1970's, he gained easy access to the commanders of the 4th Army Division and the 4th Military Region, both headquartered in that city. Itamar was elected by the MDB [Brazilian Democratic Movement], a party that opposed the military regime, and he

was a close friend of General Itibere Gouveia do Amaral, commander of the 4th Military Region. At the time, Municipal Councilor Francisco Fonseca of the rival Arena [National Renewal Alliance] charged that the Secretariat of Public Works in Juiz de Fora had diverted funds to pay for improvements on the general's farm in Bicas, 33 kilometers from Juiz de Fora. Over the past three weeks, Itamar has left his isolation in Planalto Palace only to participate in military ceremonies. Despite urging by advisers, the president has refused to participate in any ceremony involving civilians. Senator Jarbas Passarinho says sarcastically: "He is half soldier."

Following the success of their Operation "Kepi on the Forelock," the centurions in the three armed services certainly agree with Passarinho. Minister of Air Lelio Lobo went directly from the officers' luncheon with the president on Thursday to the Brasilia Air Base. There he boarded an FAB aircraft and soon landed in Sao Jose dos Campos, on his way to the office of the director of the Aerospace Technical Center (CTA), General Nelson Taveira. Lobo was there to give the go-ahead for continued work on the AMX project and the space program. The Navy obtained a promise that it could continue building its nuclear-powered submarine (which is not expected to be completed before 2020), and the Army will get funds for a new runway at the Agulhas Negras Military Academy in Resende, Rio de Janeiro. That is where the world pentathlon championship will be held in 1994.

The results of this military offensive did not stop there. The officer class is now taking it for granted that civilian and military personnel will be separated in the constitutional revision, thus making it possible to approve separate pay increases. The military adviser to Congress, Commander Sergio Porto da Luz, says it is "practically guaranteed" that the military will receive a 186-percent pay increase. That would make up for the pay they lost in 1993. It would also strike another very hard blow at Minister Fernando Henrique's policy of lean cows.

Contributing to this report were Fabio Sanchez (Sao Paulo); Zenaide Azeredo, Ana Beatriz Magno, Raymundo Costa, and Otto Sarkis (Brasilia); Otaviano Lage (Belo Horizonte); and Flavio Pachalski (London).

Chile

State Bank Grants $10 Million Credit Line to Cuban Bank

PY1401181094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 14 Jan 94

[Text] The State Bank has granted a credit line of approximately $10 million to the National Bank of Cuba. This will allow Cuba to buy Chilean agricultural products. Minister Secretary General of Government Enrique Correa said this is a humanitarian credit which will also benefit Chilean producers.

State Bank President Andres Sanfuentes said Cuba is living through a market-opening process, which represents a new business source for Chilean businessmen.

Talks With Peru Over Lima Convention Suspended

PY1801175194 Santiago Radio Cooperativa Network in Spanish 1000 GMT 18 Jan 94

[Text] Chilean Ambassador to Peru Alejandro Magnet has told COOPERATIVA that the Chilean-Peruvian talks on the Lima Convention have been suspended.

[Begin recording] [Magnet] I cannot disclose anything because sessions are secret, it was the sessions of the...

[Unidentified reporter, interrupting] But did you submit a report? Can you tell us about that?

[Magnet] I was invited to the session.

[Reporter] What is the current status of the agreements between Chile and Peru on the Lima Convention?

[Magnet] The meetings have been suspended. A decision has been made to wait. [end recording]

The ambassador said this after attending a meeting that was presided over by Foreign Minister Enrique Silva Cimma. The talks on the Lima Convention were on the meeting's agenda.

The Lima Convention, which was signed on 11 May 1993, seeks to resolve matters that are pending from the 1929 Treaty, and includes the construction by Chile of facilities at the port of Arica.

Chilean representatives at the talks (Luis Vinter) and (Eduardo Biogrossi) read briefings during the closed-door session. Members of the foreign affairs committee of the Chamber of Deputies also attended. Committee Chairman Jorge Pizarro said that the Chamber of Deputies agreed that the Lima Convention must be ratified in its entirety, the way it was approved by the Chilean Senate.

Deputy Teodoro Ribera commented on specific topics.

[Begin recording] [Ribera] We believe we should wait until the El Chinchorro issue is resolved through one of the agreements signed in Lima. If that cannot be implemented, however, Chile should obviously resort to the powers granted by the law and the Constitution to resolve Arica's urban problem. The state should thus use its powers as it would with any private party, be it an individual or a corporation.

[Unidentified reporter] Will the Chilean Government pay compensation for the land that we have occupied in El Chinchorro.

[Ribera] Without doubt. We are not speaking here... [changes pattern] Chile always pays compensation for

expropriations. A fair price that will be negotiated, and if there is no agreement, the price will be decided by a judge.

It is not a matter of expropriating without paying compensation. We will simply implement the powers granted to the Revenue Department and to the Chilean State under Articles 19 and 24 of the Constitution, which establish expropriation for reasons of public need. [end recording]

The Foreign Affairs Committee of the Chamber of Deputies decided to suspend a visit to Lima to meet its Peruvian peers, because of the recess in the Peruvian Constituent Congress.

Arrested 'Extremists' Targeted Defense Ministry Building

PY1901111194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 19 Jan 94

[Text] An Investigative Police spokesman said the recent capture of two extremists and the seizure of an arsenal in their possession permitted the breakup of an important terrorist plan. It was reported that one of the targets was the Defense Ministry building.

The two arrested extremists were transferred to the Investigative Police central headquarters this morning. The terrorists were identified as Juan Moreno Benegas and (Nualdo Carreno Vatienza), members of the so-called Free Fatherland People's Guerrilla Army. The two were placed at the disposal of the court today.

The Investigative Police said the two are responsible for many robberies and attacks. The police also ascertained that the group planned a series of extremist attacks in cooperation with the MIR [Movement of the Revolutionary Left] and Lautaro [Lautaro Rebel and Popular Front] in reprisal for the imminent transfer of terrorist prisoners to a maximum security prison.

[Begin Police Deputy Superintendent Zvonco Tocigl recording] They planned to harass police barracks and attack public buildings. The plan included an attack against the Diego Portales Building [Defense Ministry] in March. [end recording]

The Investigative Police announced on 17 January that the terrorists had in their possession arms and explosives, including two submachine guns, one pistol, one revolver, dynamite, and grenades.

Chile Fully Joins Nuclear Nonproliferation Pact

PY1801232494 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Jan 94

[Text] The Chilean Government has become a full member of the Tlatelolco Treaty that proscribes nuclear weapons in Latin America and the Caribbean. Ambassador Carlos Portales signed the document for the president of the Republic.

The Chilean Government also has joined the organization supervising the treaty—the Organization to Ban Nuclear Weapons in Latin America, OPANAL. The ceremony took place in Mexico City. Argentina joined the treaty during the same ceremony.

Portales said on the occasion that Chile emphasizes its complete renunciation and repudiation of the proliferation of weapons of mass destruction, adding that the country will contribute with initiatives seeking to prevent the proliferation of these types of weapons.

Chile ratified the Tlatelolco Treaty in October 1974, seven years after signing it. Its implementation, however, was suspended because Chile considered that all countries with nuclear programs in the region had to become an effective part of the agreement.

Colombia

Council Requests Explanation on Presence of U.S. Troops

PA1801212394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Jan 94

[Interview with Colombian Council of State President Amado Gutierrez by reporter J.J. Pinilla at the Council of State offices in Santa Fe de Bogota on 18 January; from the "National" newscast—live or recorded]

[Text] [Pinilla] Your attention, please. The Council of State has just asked the government for an explanation regarding the overflight of foreign aircraft and the presence of U.S. troops in our country. Mr. Amado Gutierrez, president of the Council of State, what have you requested of the president?

[Gutierrez] The petition, which was approved unanimously during a plenary Council meeting, requests the president to inform us about the legal conditions under which he granted authorization for several military aircraft to overfly the city of Barranquilla and for foreign troops to remain in several areas of the country.

[Pinilla] Why has the Council of State made such a request?

[Gutierrez] The Council of State made the request because the Constitution expressly states that while the Senate is in recess, the movement of foreign troops may only be authorized by the president, with prior approval by the Council of State.

[Pinilla] Thank you for your kindness, Mr. Amado Gutierrez, new president of the Council of State.

Oil Pumping Suspended Following Guerrilla Attacks

PA1801160394 Hamburg DPA in Spanish 1425 GMT 18 Jan 94

[Text] Santa Fe de Bogota, 18 Jan (DPA)— Pumping operations for crude oil through two of the most important Colombian oil pipelines are completely paralyzed, Ecopetrol [Colombian Petroleum Enterprise] spokesmen have reported.

One of the oil pipelines, which goes from the oil wells in Cano Limon in the eastern part of the country to the Caribbean port of Covenas, was dynamited by the pro-Cuban National Liberation Army (ELN) in the northern Department of Cesar. The pipeline, which is 780 km long and has the capacity to pump up to 250,000 barrels of crude oil, suffered a breakdown, which caused 5,000 barrels to be spilled and a subsequent fire.

In addition, there is serious ecological destruction that is being controlled by Ecopetrol emergency technicians and workers. So far this year it is the fourth attack on the Cano Limon-Covenas Pipeline, which has been the target of attacks by the ELN. Last year the ELN blew it up 39 times.

Meanwhile, the Colombia Oil Pipeline, which pumps crude from the northwestern Department of Antioquia to the port of Covenas, was damaged by an explosive device in Remedios Municipality, Antioquia Department. The oil pipeline, the second most important one in the country, has been blown up three times this year. Last year it was attacked 10 times by the ELN.

The aforementioned guerrilla group's attacks on the oil pipelines are part of its "war" on President Cesar Gaviria's oil policy, which the rebel group believes is hurting Colombian interests.

Smugglers Reportedly Form Alliance With Rebel Groups

PA1801144094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 17 Jan 94

[Report by Edgar Augusto Sanchez in Cesar Department; from the "TV Today Newscast"]

[Text] Guerrilla members and smugglers have apparently created an alliance against customs guards in Santander and Cesar Departments. Seventeen customs officials have been assassinated in those departments during the last two years. As a precaution, the guards now remain at a distance of up to 10 km from the dirt roads used to bring contraband into the country.

These roads are in bad condition, but they are the safest and most reliable for smugglers. A sizable part of the alcoholic beverages and cigarettes which negatively affect the economy in Santander Department are brought into the department using these roads. The dusty roads are suitable for smugglers because they are located in so-called conflict-ridden areas, where various guerrilla fronts freely operate. Obviously, due to security reasons, customs representatives never go there.

[Begin Santander Finance Secretary Angel de Jesus Becerra recording] They know they cannot go out and conduct operations without coordinating everything first to ensure that they are properly backed up by public security forces. [end recording]

"TV Today" newscast toured the area and observed vehicles turning off from the main highway to avoid checkpoints. Official intelligence sources emphasized that the alliance between smugglers and guerrilla groups was formed to smuggle merchandise. Only two highway policemen manned the checkpoints on the road to Cucuta.

[Begin unidentified policeman recording] We have learned that guerrilla forces blew up the next post. That is the way things are around here. They operate around here and in Los Colorados. [end recording]

Given the roads' geographical location, customs guards do not dare enter the zone for fear of losing their lives.

* General Views Army Accomplishments in 1993

94SM0171A Santa Fe de Bogota EL TIEMPO in Spanish 27 Dec 93 p 10C

[Interview with General Hernan Jose Guzman, Commander of the Army, by John Gutierrez; place and date not given: "Guzman: 'The Guerrillas Want To Be the Third Cartel'"]

[Excerpt] *"The Army Has No Interest in Covering Up Any Crime."*

[Passage omitted] [Gutierrez] How would you rate your performance in 1993?

[Guzman] We have made progress on meeting the goals that we set. This is borne out by the results achieved in our country this year (see below), both in terms of action waged against terrorists as well as against organized crime and drug trafficking. We got rid of nearly 1,000 terrorists and captured 1,873 guerrillas. In addition, the Medellin Cartel has been brought to its knees by the National Police and Escobar was killed.

[Gutierrez] Not all sectors see the crack in the guerrilla organization so clearly.

[Guzman] We have made progress this year on breaking up the guerrilla organization thanks to the intervention of the Prosecutor General's Office. Without its help, we would not have been able to put that many terrorists behind bars. Charges have been filed against every one of them and their illegal activities are being spelled out in detail. We have filed our evidence and those guerrillas will be brought before the courts.

[Gutierrez] In practice, is there not more than one area off limits to the Army?

[Guzman] No. To date, no area has been declared off limits to the Army. The Army has gone in and enforced the law. I can give you one example: In the San Lucas Mountains, funds for the ELN [Army of National Liberation] came from gold mining and cocaine operations and the Army went in and took control of the situation. The same is true of San Jose del Guaviare. We cleaned the area out.

[Gutierrez] But we are still seeing videos of terrorist summit conferences in areas under the jurisdiction of the Mobile Brigades, the antiterrorist forces.

[Guzman] That is all highly relative. The videos that they are showing us are not at all authentic. It is easy to stage a meeting in the jungle in two or three days. They can easily meet and immediately break up again and that is what happened.

In some cases in which we went in on the basis of information that we had, the individuals had already held their meeting and left. It is all highly relative when one is operating in a jungle area. There you have to move troops by helicopter and sometimes, for any number of reasons, you may not have the logistics in place and be forced to postpone the mission for 24 hours. In such cases, when an operation is postponed, those elements immediately change their plans.

[Gutierrez] How do the troops view the process that began with the [Socialist Renewal] Current (CRS)?

[Guzman] As very positive. I wish that other terrorist organizations would hear us and understand the importance of peace. I think that that is the best way, the solution chosen by the previous terrorist groups and the one now being used by the CRS. It believes that the most positive option is unquestionably to engage in dialogue and a favorable solution for the nation.

[Gutierrez] What about the FARC [Revolutionary Armed Forces of Colombia] and the ELN?

[Guzman] I think that what is happening in this case is that the terrorists do not want to even hear about any dialogue, which is an enormous mistake because they have not allowed the conditions to be created for the National Government to take the position of talking with them. They have always played tricks.

Now all the guerrillas want to do is engage in extortion, steal livestock from ranches, actively engage in actual drug trafficking, and become the third-ranking drug cartel in order to finance their activities.

[Gutierrez] Does that explain attacks like the last one in Guican?

[Guzman] The guerrillas as such have been defeated for quite some time. Now they are acting like the rings that engage in common crime, drug trafficking, and terrorism. I can guarantee that these organizations have reached one of their lowest points ever because we are hitting them everywhere.

Such actions can only be explained when dealing with a ring of criminals. Drug traffickers attack anything they can and the FARC and ELN care about absolutely nothing. In Sumapaz, they machine-gunned an ambulance even though it was properly identified, which shows a total lack of respect for human rights in general.

They hide behind the shield of human rights of which they themselves are the worst violators.... The terrorists have distorted information in order to discredit the Armed Forces and the Police for alleged irregular conduct.

[Gutierrez] The Attorney General's Office agrees on this, but the organization has also filed a number of isolated complaints against members of the Armed Forces.

[Guzman] I think we have made great progress in this area this year. We have drafted regulations and convinced our people that they must respect human rights.

That business about the Attorney General's Office "syndrome" has disappeared. The Ministry of Justice has proceeded with total transparency. Some investigations have even been conducted jointly.

In the case of Riofrio, for example, we turned our investigation over to the Attorney General's Office, as we did in the case of Uraba. There, the Armed Forces inspector and deputy attorney general worked together.

The Army has absoslutely no interest in covering up any crime or any alleged crime that we are said to have committed. We shall not hesitate to discipline or impose criminal penalties on those guilty of irregular conduct. [passage omitted]

[Box, p 10C]

The Record

The following is a record of the Army's achievements in its war on crime in 1993, as of 22 December:

Guerrillas: 993 guerrillas killed; 1,873 guerrillas captured; over 5 tons of explosives seized; 1,863 short and long arms weapons seized from terrorists; 78 radios seized from guerrillas; 173 grenades confiscated, handheld or fired from weapons; nearly 100 tons of food; 368 guerrilla camps destroyed; over 2,000 armed skirmishes; 248 troops killed in fighting.

Drug trafficking: 632 persons captured, including 629 nationals and three foreigners; 28 persons killed in confrontations inside the country; 373 short and long arms seized; 37,815 shells of different calibers; 106 laboratories destroyed.

Drugs seized: 3,633 kilos of cocaine; 2 kilos of morphine; 21,190 kilos of marijuana; 47 kilos of poppy latex;

158,533 kilos of coca leaves; 126 kilos of bazuco; 165 kilos of poppy seed; 525 hectares of coca destroyed; 272 hectares of poppies destroyed; 47 hectares of marijuana destroyed.

Ecuador

Roundup of Economic Developments Through 17 Jan

PA1801013394

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored by Panama Bureau through 17 January; source follows in parentheses after the item.

A Central Bank communique has affirmed that an international monetary reserve of $1.2 billion and an inflation rate of .6 percent in December reflect the success of the government's economic policy. It added that the inflation rate for 1993 was 30.96 percent, falling within the goals established by the government of Sixto Duran-Ballen. (Paris AFP in Spanish 0315 GMT 14 Jan 94)

Paraguay

Wasmosy, Franco Discuss Border Trade Problems

PY1801150094 Asuncion ABC COLOR in Spanish 18 Jan 94 p 17

[Report by unidentified correspondents in Colonia, Uruguay]

[Text] Paraguayan President Juan Carlos Wasmosy has obtained assurances from his Brazilian counterpart Itamar Franco that customs restrictions to bilateral trade enforced by Brazilian officials that amount to a virtual intimidation campaign —through the confiscation of commodities purchased by Brazilian citizens at the Paraguayan city of Ciudad del Este—"will be immediately revised and that the appropriate corrective measures will be adopted to end this situation that runs contrary to the integration process between Paraguay and Brazil."

Early yesterday morning, before the opening of the Mercosur [Common Market of the South] summit, Wasmosy conveyed this problem to Franco based on a protest note submitted to him by Ciudad del Este Mayor Guillermo Campuzano and by the Foz do Yguazu-based Parana-Paraguay Chamber of Commerce. The note charges Brazilian customs officials with a harassment campaign "that has caused a major reduction in the flow of tourists to Foz do Yguazu and Ciudad del Este, with the subsequent reduction in sales for stores, hotels, and restaurants." The drop in business has been estimated at nearly 40 percent.

New Antinarcotics Executive Secretary Installed

PY1801212294 Asuncion ULTIMA HORA in Spanish 18 Jan 94 p 6

[Excerpts] Retired Brigadier General Juan Ramon Rosa Rodriguez was installed this morning as the new National Antinarcotics Secretariat (Senad) executive secretary, replacing Division General Mario Escobar Anzoategui, who tendered his resignation last year.

Rosa Rodriguez is a military officer who went into retirement a few years ago and served in the 3d Army Corps. Rosa Rodriguez took a course on drug trafficking in the United States. Therefore, he is supported by the U.S. diplomatic mission.

The president of the Republic, Juan Carlos Wasmosy, took considerable time in appointing the Senad head. The Senad reshuffle prompted "diplomatic" frictions between Wasmosy and U.S. ambassador to Paraguay Jon David Glassman.

It was actually the U.S. ambassador who announced that the new Senad head would be appointed sometime this week, at the latest. According to military sources, there were three candidates: One of them rejected the post and the other two were not approved by the U.S. mission. [passage omitted]

The president of the Republic, engineer Juan Carlos Wasmosy, has given "absolute liberty" to the new Senad head, retired Gen. Juan Ramon Rosa Rodriguez for the latter to properly discharge his new duties. Rosa Rodriguez noted that if he does not properly discharge his duties, it will not be because he is unwilling to do so, but because he does not have the elements required for it.

The president said: "I fully trust you and I ask everyone here and all the organizations to provide the support required for an all-out struggle against money laundering and crime."

Addressing Gen. Rosa Rodriguez, the president added: "You have all my support and the support of all levels of government to fight this scourge without any protection. [sentence as published] You have absolute liberty and the support of the national government to fight this evil."

Moving on, the president thanked U.S. Ambassador Jon Glassman for the assistance the U.S. Embassy has supplied our country to fight drug trafficking "because, sadly enough, our country is being used by criminals as a transit country."

The president concluded by saying: "I hope that all of us, united, some day may be able to wipe out this damned trafficking from America's Southern Cone."

Rosa Rodriguez

The new Senad head said: "Thank you very much for trusting me, Mr. President. I cannot promise more than dedication and honest effort, but I can assure you that if

Senad does not properly meet your expectations, it will never be because of ill will, laziness, or malice, but it will be because our capacity and our means are not enough to fulfill your wishes."

This may be interpreted as a call to re-equip Senad, whose potential, according to Senad Assistant Secretary Colonel Cirilo Velazquez, is very small compared with drug traffickers' potential.

Peru

Fujimori on Watson's Upcoming Visit, Lima Convention Talks

PA1901040494 Lima Global de Television Network in Spanish 0100 GMT 19 Jan 94

[From the "Global TV News" newscast]

[Text] Peruvian President Alberto Fujimori has said he hopes that U.S. Assistant Secretary of State for Inter-American Affairs Alexander Watson, who is arriving on an official visit to Lima, will objectively evaluate the progress made by Peru, especially in the struggle against subversion.

[Begin recording] [Fujimori] I hope that Mr. Watson—who knows Peru because he was ambassador here during a very difficult period, during the previous administration—will objectively evaluate the situation, the progress that has been made in the antiterrorist struggle, and the respect there is for human rights, with the exception of isolated cases that might have taken place. I sincerely hope that the assistance that has previously been promised by the United States will be released.

[Reporter] There are reports that the talks on the Lima Convention between the Peruvian and Chilean negotiators have been suspended. What can you tell us about this?

[Fujimori] These negotiations are alternatively taking place in Santiago and Lima. I hope they continue. I think that some progress has been made. Some details have yet to be worked out.

[Reporter] Are there some discrepancies yet, Mr. President?

[Fujimori] Some points I consider details still remain. We hope that the interests of both sides can be fully served.

[Reporter] In your speech at the Plaza de Armas on the anniversary of the city, you said that the [word indistinct] of Decree 776 divides the country and that it is necessary, in order not to deprive the municipalities of authority, to repair that damage. Is this going to be considered?

[Fujimori] Municipal autonomy has not been lessened at all. What happens is that the tax reform has objectives. We have always said, I believe with the support of the country, that the General Sales Tax must be the most important tax. This is a strictly technical opinion. It has nothing to do with some interpretations of this. I have been surprised to find that some provincial mayors have complained about this when the fact is that they will be able to double or triple their revenues because of the Municipal Compensation Fund. [end recording]

Ruling Awaited in La Cantuta Missing Persons Case

PA1901015494 Lima Global de Television Network in Spanish 0100 GMT 18 Jan 94

[From the "Global TV News" newscast]

[Text] Tomorrow, the criminal court of the Supreme Court will receive the case presented by Prosecutor Victor Cubas Villanueva who is in favor of La Cantuta case being tried in a common court. Meanwhile, Judge Carlo Magno Chacon Flores continues hearing testimony from relatives of the missing persons.

At 1100 an appeal was filed with the high court on the jurisdication of the common court together with the opinion of Victor Cubas Villanueva who has participated in the investigations carried out up until now. In this document, Cubas Villanueva reiterates his position with regard to Chacon Flores. Again, he has requested the designation of an ad hoc judge for this case.

[Being recording] [Unidentified reporter] How long will it take to receive a reply to your official request?

[Cubas Villanueva] This does not depend on my office any longer. I am certain a response will be received in a few days, because the case is ready to be presented to the criminal court. Once a decision has been issued by the higher prosecutor, the magistrates of the criminal court of the Supreme Court will issue their ruling. [end recording]

Meanwhile, Chacon Flores confirmed that the prosecutor's opinion, his own opinion, and the appeal on the competence of the court will be remitted tomorrow to the Supreme Court. The Supreme Court must then decide where the La Cantuta case will finally be tried.

Uruguay

Finance Minister To Head Trade Delegation to Iran

PY1801232794 Montevideo LA MANANA in Spanish 12 Jan 94 Sintesis Magazine p 9

[Text] A Uruguayan trade mission will travel to Iran at the end of January. The mission will include government officials and a group of entrepreneurs. It will be headed by Economy and Finance Minister Ignacio de Posadas.

An official source told us that there is an important trade link based on compensation agreements between Iran and Uruguay.

The source said that the products to be negotiated are those that traditionally have been exchanged between the two countries. The source stressed, however, that "there might be significant news for the textile industry, which is particularly important at difficult times like the present."

General Mermot Sanctioned With 'Strict Arrest'

PY1801235394 Montevideo EL OBSERVADOR ECONOMICO in Spanish 12 Jan 94 p 6

[Text] A military source told EL OBSERVADOR that General Raul Mermot has been sanctioned with 10 days of strict arrest by the Army commander in chief, but he will continue as commander of the Third Army Division based in Tacuarembo because the sanction is to be applied "without hindering his present function."

The sources minimized the importance of the sanction that will end on 17 January. A military source said Mermot "has the command channels open" and he, therefore, continues "commanding the division."

The source said Mermot is a member of the Supreme Tribunal on Promotions and Resources, adding that for the past 30 days he has been working at Army Command headquarters, where he currently is serving his strict arrest.

"The sanction of strict arrest is continuous for a period. Then we have, according to the characteristics of the violation, suspensions, reassignments, reassignment suspensions, and trial by military justice," the source said.

Lieutenant General Daniel Garcia, Army commander in chief, said Gen. Mermot's sanction is an Army "internal and administrative issue." A military source added: "The fact that a general has been sanctioned does not mean it did not happen before or that it will not happen again."

Survey Shows Colorado Party Leading Presidential Race

PY1901111394

[Editorial Report] Montevideo EL PAIS in Spanish on 9 January publishes on pages 4 and 5 of the Second Section a series of unattributed articles totalling 1,800 words on the results of a survey by the Cifra firm, headed by Luis Eduardo Gonzalez, of 1,396 individuals throughout the country on their preferences in the presidential election.

The survey shows that 37 percent of those questioned prefer the Colorado Party, 23 percent the Broad Front, 16 percent the National Party, and 5 percent New Space.

The survey asked about possible presidential candidates in each major political group. The results show that 84 percent of Colorado Party followers would vote for former President Luis Maria Sanguinetti, 7 percent for Jorge Batlle, and 5 percent for Pacheco Areco.

The survey shows that 66 percent of all Broad Front followers would vote for Montevideo Mayor Tabare Vazquez, 23 percent for Danilo Astori, and 6 percent for General Liber Seregni.

In the National Party, 31 percent would vote for Senator Carlos Julio Pereyra while 18 percent would vote for Gonzalo Aguirre Ramirez.

The survey shows that 95 percent of all New Space followers would vote for Hugo Batalla.

The results show that 45 percent of the people living in the country's interior say they support the Colorado Party, 19 percent the National Party, 16 percent the Broad Front, and 4 percent support New Space.

The survey shows that 67 percent of all Colorado Party followers and 66 percent of all National Party followers live in the country's interior while 62 percent of Broad Front followers live in Montevideo.

Roundup of Economic Reports Through 13 Jan

PY1301180094

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 13 January. Source is cited in parentheses following each item.

On 4 January, the Central Bank reported that the state registered a 357.2 million-peso deficit in the January-October 1993 period. This was the result of the public sector's nonfinancial surplus of 73.8 million pesos and a 431 million-peso deficit in the "parafiscal" sector. (Montevideo LA MANANA in Spanish 5 Jan 94 p 43)

The Central Bank's net international reserves increased $213.3 million in 1993; total reserves now amount to $1.1603 billion, 22.5 percent more than in 1992. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 6 Jan 94 p 9)

Venezuela

Foreign Minister Cited on Downed Helicopter Report

PA1501224994 Caracas EL GLOBO in Spanish 14 Jan 94 p 6

[Report by Enelcys Rodriguez Calderon; quotation marks as published]

[Text] "The report Colombian Foreign Minister Noemi Sanin has presented is not sufficiently clear and explicit enough to reach final conclusions" on the actions of crew members of the National Guard helicopter, Foreign Minister Fernando Ochoa Antich has said at Miraflores Palace.

The report prepared by the Colombian Government and delivered 12 January by the Colombian foreign minister

to President Ramon J. Velasquez establishes that the aircraft entered illegally Colombian territory, violated international and internal rules of states as well as the safety and property of individuals in that country.

The Venezuelan foreign minister has said he read carefully the document and found that it is not sufficiently comprehensive. Ochoa Antich has said: "It is said National Guard members fired upon the helicopter themselves, because the shots were fired from the side, instead of from bottom to top. The defense minister made an explanation to me, and I, who also have some knowledge in this regard, believe that it may have occurred while the helicopter made a turn; therefore, this is not enough evidence."

Ochoa explained that the Colombian Government has reached negative conclusions regarding the actions of the helicopter crew members and that the reasoning leading to this hypothesis is insufficient." The reason why the report has concluded that the members of the patrol fired the shots is because two empty cases of a 562 projectile appeared near the place where the helicopter was found."

For Ochoa, the evidence supplied by Colombia is not sufficiently strong or accurate, and he added that the report's conclusions were based on statements by residents of the area." This leads us to wait for the investigation being conducted by the Defense Ministry." He added that the helicopter case does not merit issuing a letter of protest.

When questioned on whether good conduct was the main condition for repatriating Colombian inmates, Ochoa stated flatly: "No. The agreement clearly establishes that the reasons are very specific; they should be sentenced prisoners and must be willing to be sent to the other country." That requisite "is not included in the agreements," he concluded.

Mayors Meet in Caracas To Discuss VAT, Decentralization

PA1401220194 Caracas Venezolana de Television Network in Spanish 1550 GMT 14 Jan 94

[From "The News" newscast]

[Text] President Ramon Velasquez opened the meeting of mayors this morning, and state decentralization will be the main topic of discussion. For the first time an administrative mechanism has been created that allows cooperation and coordination between central and regional governments. The value-added tax [VAT] and its application also became a leading topic of discussion at the meeting.

[Begin recording] [Caracas Mayor Aristobulo Isturiz] We demand what the Constitution stipulates. The Constitution says that all taxes must have a common characteristic; that is, they must be progressive and fair. In other words, people who earn more should pay more taxes; those who earn less should pay less; and those who have nothing should pay nothing. That is fair. The VAT taxes everyone equally. People who earn more pay the same as those who earn nothing. This policy has critical consequences because the Venezuelan Constitution still stresses the role of the state by noting that the state has responsibilities toward the citizens and that the citizens have basic rights.

[Maracaibo Mayor Fernando Chumaceiro] The process of administrative decentralization, which basically had been a transfer of power from the central government to the state governments, has been expanded. This is positive progress, but it is insufficient. Full decentralization takes place once decentralization reaches municipal levels, and then from municipal levels to parochial levels. [end recording]

Barcelona, Puerto La Cruz Traffic Paralyzed by Protests

PA1601144294 Caracas EL NACIONAL in Spanish 14 Jan 94 p D-17

[Report by Evaristo Marin]

[Text] Barcelona—Amid violent protests against the increase in bus fares, groups of neighborhood residents and students burned tires on the main roads to Puerto La Cruz and Barcelona and to other zones of that city and set fire to a bus and a fuel truck. Policemen shot a woman and made numerous arrests. There was almost total absenteeism at places of employment due to a sudden work stoppage decreed by the Transportation Union in Anzoategui State.

Neighborhood groups and student organizations of Eastern University (UDO), Puerto La Cruz branch, demanded that the Transportation Union and local municipalities reach an agreement on fares because an increase decreed in both cities exceeded the 30-percent mark, thus affecting the entire labor sector.

The increase was approved by Barcelona Municipality in December but was revoked until three days ago in response to neighborhood committee protests.

The neighborhood organizations' action resulted in the closure of principal roads, particularly an alternate road, all of which were obstructed by burning tires. The Metropolitan Police (PM) cleared the roads after 0900, while criminals who had infiltrated the demonstration tried to set fire to the Araguay gas station near the Santo Domingo housing area.

Public transportation was suspended and thousands of workers were left stranded.

The PM reported the arrest of eight persons, including students and neighborhood residents, who were traveling in a black pickup, license plates 383-BAR, loaded with used tires that the individuals intended to burn on various roads leading to public transportation routes.

Bolivar and Sotillo Municipalities (Barcelona and Puerto La Cruz) decided to repeal the fare increase unilaterally approved by the Transportation Union in December.

One woman was shot during the protests, and demonstrators set fire to a bus and a fuel truck while dozens of people were arrested amid veritable traffic chaos.

The alternate route was most heavily affected by the protest, which included the participation of residents from more than 50 heavily populated neighborhoods along the route. Local residents began setting up barricades and burning tires to obstruct traffic in the early morning hours. Mrs. Rosa Blanco, 46 years old, was shot in Santo Domingo neighborhood when the PM arrived and indiscriminately began to set off a large number of tear gas bombs. Apparently a PM agent fired his regulation weapon and the bullet wounded the woman in the back. She was transferred to Las Garzas hospital where she underwent surgery.

On the intercommunity highway, a group of demonstrators that included UDO students burned a tourism bus valued at several million bolivares that belonged to the Responsible Venezuela line. The demonstrators also torched a fuel truck owned by the SAET [expansion unknown] transportation company, license plate 754-AAR, as it was being driven in an area close to the UDO.

To the south, residents of La Ponderosa and El Vinedo obstructed the highway to the coast and blocked traffic en route to the capital. By noon dozens of trucks and hundreds of privately owned vehicles were waiting for the highway to be opened. Cruz Bastardo and Arquimedes Barrios, leaders of the Neighborhood Federation, said the protests will continue until the Transportation Union discusses a more equitable fare system.

The National Guard intervened at about 1100 after the bus was burned, and fierce clashes occurred between the military and the demonstrators, who had sought shelter at the UDO.

Government Rejects OAS Report on El Amparo Case

PA1501010394 Caracas EL DIARIO DE CARACAS in Spanish 13 Jan 94 p 23

[Report by Patricia Rodriguez]

[Text] Venezuela has rejected the recommendations stated in the OAS Inter-American Human Rights Commission [CIDH] report on the El Amparo case and asked that organization to convene a meeting to ask them to reconsider the document they drafted on the killing of fishermen in October 1988, according to reliable sources.

This is how the Venezuelan State responded to the CIDH on 11 January. The government's stand calls for the report to be reconsidered and a meeting to be held. This last request was granted for 31 January or 1 February. Guido Grooscors, Venezuelan ambassador to the OAS, will be part of the delegation that will defend the country at that meeting.

It was learned that the Venezuelan Government has informed the CIDH that the Military Court has decided to reopen the case, in which the defunct commando Jose Antonio Paez, the Judicial Technical Police, and Disip [Directorate of intelligence and Prevention Services] were accused of having massacred 14 fishermen whom they mistook for guerrillas of Colombia's Army of National Liberation in La Colorada creek, La Guasfita, Apure State.

The CIDH recommended that the Venezuelan Government impose sanctions against those who masterminded and covered up the killing, offer a just compensation to the direct relatives of victims, and adopt internal legal provisions. This, the commission added, should be done to revise and modify the Military Code of Justice.

As the report established, Venezuela had to pronounce itself on the recommendations contained in the document before 15 January 1994, when the term would expire for hearing the measures the government would adopt at the commission's request.

The government rejected the recommendations, however. Regarding the possibility that the El Amparo case be brought before the court, the same has not been ruled out. We will have to wait until the parties—commission and Venezuela—decide what to do after the meeting.

Meanwhile, the CIDH could draft a second report, giving a definitive character and a new term to the recommendations. If Venezuela fails to fulfill the same, it will publish the document internationally.

* Gulf of Venezuela Border Dispute Detailed

* Exchange of Notes With Colombia

94SM0164A Caracas EL DIARIO DE CARACAS in Spanish 17 Dec 93 p 31

[Article by Maria Victoria Cristancho, Taisa Medina, and Patricia Spadaro]

[Text] Over the past four months the governments of Venezuela and Colombia have exchanged diplomatic notes, setting out their respective positions on the demarcation of maritime and underwater boundaries in the Gulf of Venezuela.

The texts of the notes, which are in the hands of EL DIARIO DE CARACAS, had been held in great secrecy due to the high level of sensitivity of the subject in both countries.

The first note was sent by the Colombian Ministry of Foreign Affairs on 15 September 1993 and was answered by the Venezuelan Ministry of Foreign Affairs two months later on 15 November 1993.

The note from Colombian Foreign Minister Noemi Sanin was sent in connection with the visit which Venezuelan Foreign Minister Fernando Ochoa Antich made to Bogota in August 1993, during which he made a statement on the dispute.

In her note Colombian Foreign Minister Sanin pointed out that her Venezuelan counterpart had expressed "views which my government does not share."

The Colombian foreign minister recalled that, "The official position of Colombia is that, unless something else is provided in a treaty duly ratified by the two parties or in a decision by an arbitrator or by a court, the demarcation of the border between our respective territorial seas, continental shelves, and Exclusive Economic Zones should be accomplished in the following way:

"A. Starting from the point where the land border between the two countries reaches the sea at the place called 'Los Castilletes,' an equidistant line should be drawn between the points farthest out from the adjacent coasts of the two countries to a point equidistant from the coasts facing each other.

"B. From the previously mentioned point the border will continue along a median line drawn between the points farthest out from the adjacent coasts of the two countries. The small islands known as 'Los Monjes' [The Monks] will not be used for drawing baselines in the determination of the border."

It was learned that Colombian Foreign Minister Sanin did not discuss the map with the Colombian negotiators who, for the past three years, have been carrying on conversations with their Venezuelan counterparts, on the basis of the modus operandi set forth in the Agreement of San Pedro Alejandrino, approved by the two parties on 6 May 1990.

For his part Venezuelan Foreign Minister Ochoa complained to his Colombian counterpart about using this channel to engage in polemics regarding this dispute, when a mechanism has been specifically agreed upon by both countries for handling this subject.

Ochoa pointed out that I am "surprised that your [Sanin's] government has handled this matter by means of a diplomatic note, when the Agreement of San Pedro Alejandrino is still in force between our two countries...I consider that, since a Binational Presidential Negotiating Commission exists, made up of representatives appointed by both governments, to determine an equitable border line, in accordance with the norms and principles of international law, there is no justification for creating a dispute about the matter. Nevertheless, you must understand that it is impossible to remain silent in view of the statements made in your note. In this respect I must say the following:

"A. Venezuela has and always has had, in complete conformity with the law, full sovereignty and possession over its land and maritime territory in the Gulf of Venezuela.

"B. Venezuela has and always has had, in complete conformity with the law, full sovereignty and possession over the Archipelago of Los Monjes. These islands have created a territorial sea, a contiguous zone, a continental shelf, and an Exclusive Economic Zone, as well as any other zone which could be established. Consequently, these rights must be respected and applied in the demarcation of our maritime and underwater boundaries, as has been recognized by the Republic of Colombia during the whole process of negotiations.

"C. In your referenced note we have observed with surprise the introduction of new elements in the description of the Colombian position which have never been presented by the delegation of your country to the Binational Negotiating Commission in the course of the discussions now under way. Therefore, I reserve the position of the Government of Venezuela."

Ochoa stated in his note that, "Venezuela repeats once again that the allegations contained in your note and described as the 'official position of Colombia' are contrary both to the facts as well as to the law and have been refuted by our government in numerous notes whose terms need not be repeated here but in which our position has been expressed in a clear and unequivocal way."

The Venezuelan foreign minister also alluded to his appearance before the Colombian communications media. In this respect he pointed out: "My statements in answer to questions asked by the Colombian press during my official visit to Bogota were in the framework of the Venezuelan position."

In both notes the ministers of foreign affairs emphasized the feelings of friendship and cooperation between the two countries, while at the same time they repeated the intentions of the two countries to reach a peaceful and friendly solution to the dispute.

At the request of Andres Pastrana, one of the candidates for the presidency of the Conservative Party of Colombia, the negotiators of both countries agreed to request that the subject of the boundaries in the Gulf of Venezuela be excluded from discussion in the elections campaign until February 1994, when the next president of Venezuela will assume office.

The proposal was welcomed by Presidents Cesar Gaviria of Colombia and Ramon J. Velasquez of Venezuela and accepted by candidates for the presidency in the two countries.

During his recent visit to Caracas Pastrana congratulated Venezuelan political figures for having kept their promise to keep silent on the subject. He considered that the same thing should continue to be done in Colombia.

Pastrana has proposed extending the agreement until the end of the elections campaign in Colombia, a matter which is still under consideration.

* Editorial Rejects Colombian Position

94SM0164B Caracas EL DIARIO DE CARACAS in Spanish 18 Dec 93 p 2

[Editorial entitled: "The Colombian Note"]

[Text] We should not be surprised at the diplomatic note sent by the Colombian Ministry of Foreign Affairs to the Casa Amarilla [seat of the Venezuelan Ministry of Foreign Affairs], in which Colombia confirms that it has returned to its most extreme position regarding the demarcation of the maritime and underwater borders between the two countries in the Gulf of Venezuela.

The Colombian note, in which Colombia reminds us that it has available to it means for a solution to the controversy other than direct negotiations and which denies legitimate, Venezuelan rights to the Los Monjes Archipelago, confirms everything that we have warned people about in terms of Colombian behavior and which was referred to some two years ago in the "Informe Bacalao" [Bacalao Report], presented by Isabel Carlota Bacalao Romer, an international lawyer, to the Venezuelan Negotiating Commission before she submitted her resignation as an adviser to the commission.

The note which Colombian Foreign Minister Noemi Sanin sent to Fernando Ochoa Antich, our foreign minister, should be rejected by Venezuela and by all Venezuelans because:

In the first place, Venezuela cannot accept, as the Colombian note suggests, arbitration or the International Court of Justice as channels for reaching a peaceful solution of the dispute; and in the second place, the Los Monjes Islands certainly generate rights to a territorial sea, a contiguous zone, a continental shelf, and an Exclusive Economic Zone, just as Colombia demanded in its border demarcation dispute with Nicaragua over Quintanilla, Roncador, and Quita Sueno Islands, which make up the San Andres Archipelago.

We must refuse to allow Colombia to return to that extreme position when direct negotiations—according to the many statements which have been made—are going well. At the same time we must refuse to allow Colombia to place itself in open contradiction to the position which it took in its territorial dispute with Nicaragua.

Nevertheless, we say that the Colombian position should not surprise us, because it reveals a stark reality: that Colombia has always wanted to go to arbitration and to the International Court of Justice and that it certainly has those possibilities open to it, thanks to the Declaration of Caracas, the Declaration of Urena, and the Agreement of San Pedro Alejandrino, documents which were signed by [former] Venezuelan President Carlos Andres Perez. These three documents, as Bacalao stated in her report, were part of a premeditated scenario to have this dispute resolved by third parties. In this way President Perez made the Treaty of 1939 applicable and even appointed the members of the arbitration commission.

Regarding the fact that Colombia has decided to return to its most extreme position, this should not be surprising, either.

For many years Colombia has presented, on the one hand, the appearance of good faith to the world regarding the demarcation of the maritime and underwater boundaries in the Gulf of Venezuela. On the other hand, Colombia has applied pressure on our country with everything it has available to it: matters related to the narcotics traffic, guerrilla activity, illegal immigration, and the theft of vehicles, to mention only some of the problems which it has raised.

How long will this go on, Colombia? Venezuela wants fraternal relations and integration with Colombia. Successive Venezuelan Governments have made every effort and gone even further to achieve that dream. Meanwhile, successive Colombian Governments persist in ignoring what is of vital interest to us: our unquestionable sovereignty in the waters of the Gulf of Venezuela.

* Senator, Ambassador Comment

94SM0164C Caracas EL DIARIO DE CARACAS in Spanish 18 Dec 93 p 31

[Article by Maria Victoria Cristancho]

[Text] Senator Pompeyo Marquez, member of the Presidential Negotiating Commission on maritime and underwater boundaries and other matters with Colombia, was annoyed by the contents of the diplomatic note which Colombian Foreign Minister Noemi Sanin sent to Venezuelan Foreign Minister Fernando Ochoa Antich. He said that for the past four years "none of the assumptions and discussions which have taken place ever contemplated what Sanin has stated."

In the diplomatic note Sanin emphasized that the demarcation of the territorial sea should be undertaken in the following way: "Starting from the point where the land border between the two countries reaches the sea at the place called 'Los Castilletes,' an equidistant line should be drawn between the points farthest out from the adjacent coasts of the two countries, and a point equidistant from the coasts facing each other." Furthermore, she denied that the Los Monjes Archipelago creates any kind of rights in the demarcation of the border.

Senator Marquez emphasized that, "There is no agreement on this matter." At the same time he referred to the memorandum which the Binational Commission will send to Presidents Ramon J. Velasquez [of Venezuela]

and Cesar Gaviria [of Colombia] and to President Elect Rafael Caldera, certifying "that there was no agreement on this matter."

The senator stated that "this position of Foreign Minister Sanin has nothing to do with the facts of the negotiations because, as stated in the note in reply to her from Venezuelan Foreign Minister Ochoa, and which completely reflects Venezuelan feelings, "that view was never expressed in the negotiations."

The Sanin note on the dispute, which expresses the "official position of Colombia," was a "document kept secret" even from Alberto Casas Santamaria, Colombian ambassador to Venezuela. He admitted that, "He had no knowledge of the text of the note."

Ambassador Casas stated: "I have to congratulate those who prepared that news report, because they really got a story which I believe is worthy of an international prize. They succeeded in publishing a secret document of which I have no knowledge."

Casas said that he has no knowledge of the contents of the note in question because it was sent before his appointment as ambassador to Venezuela.

Vice Admiral Radames Munoz Leon, Venezuelan minister of national defense, preferred to decline comment on the exchange of notes between Sanin and Ochoa. He said, "That is a matter for the Ministry of Foreign Affairs, not for me." He added that he hoped that the Venezuelan Ministry of Foreign Affairs would continue to support the policies which President Ramon J. Velasquez approved on that matter.

Isabel Carlota de Bacalao, the former adviser to the Venezuelan Negotiating Commission, called the note sent by Colombian Foreign Minister Sanin a particularly uncompromising repetition "of maximum Colombian positions on the subject of border demarcation and a clear statement of the position of her country."

She stated that Colombia has stated once again that, in addition to the Agreement of San Pedro Alejandrino, there are other means for settling the negotiations, such as the Treaty of 1939, which covers the intervention of third parties, a position which Venezuela has always rejected.

She added that, "In its reply Colombia has rejected the view that 'Los Monjes' are islands and does not mention at any time the name of the Gulf of Venezuela." By contrast Bacalao called the reply of the Venezuelan Ministry of Foreign Affairs, "very weak," since, "although it points out that the Los Monjes Archipelago creates a territorial sea, a contiguous zone, a continental shelf, and an Exclusive Economic Zone, it did not occur to the ministry that Colombia, in its border dispute with Nicaragua, claimed the island benefits generated by Roncador, Quita Sueno, and Quintanilla Islands."

She considered that "this inconsistency of Colombia is a weapon in the hands of Venezuela. It would seem that to prevent relations between the two countries from deteriorating further, the Venezuelan Ministry of Foreign Affairs is not emphasizing this point, which supports the Venezuelan position."

She said that Sanin set down the exact dimensions of the battlefield in which she hopes the negotiations will take place. Venezuela is trying "to slip away weakly" from the realities of the Colombian note.

Bacalao emphasized that the note sent by Colombia is "an impeccable reaffirmation of the Colombian position, presented by a country which has very clearly in mind the dividing line between the state and the government, and which has never confused the interests of the state with personal interests."

She continued: "In Venezuela these are confused. Our country does not distinguish between state and government and has no clear awareness of the legal and political consequences generated by every word, every error, every omission, and every action not properly performed."

Bacalao concluded by pointing out that, while the Colombian note is forceful, the Venezuelan note is inadequate.

* Chronology of Recent Statements

94SM0164D Caracas EL DIARIO DE CARACAS in Spanish 18 Dec 93 p 31

[Article by Patricia Spadaro G.]

[Text] During the past four months relations between Colombia and Venezuela have been marked by developments and statements which, taken one by one, have led the respective governments to set out their official positions, with the tone of the language rising at times. During this period bilateral relations have reflected a novel feature. What was previously resolved directly is now handled through the formality of diplomatic notes, which takes flexibility out of relations and creates an atmosphere of tension, even when government officials have stated that relations are good.

- 9 June: Andres Pastrana, a candidate for president of Colombia, proposed that his country and Venezuela approve an "agreed pause" in polemics until after the elections in both countries, later resuming negotiations on the border dispute in the Gulf of Venezuela.
- 8 July: Ramon Escovar Salom, the attorney general of Venezuela, asked for the cancellation of Decree 1911, signed by [former] President Carlos Andres Perez, which authorizes the registration of the birth of children of undocumented persons in Venezuela.
- 30 August: Foreign Minister Fernando Ochoa Antich began an official visit to Bogota, during which he stated that "the demarcation of maritime and underwater areas touches the most sensitive fibers of Venezuelan nationalist feeling. If the Colombian people do not understand that, the process of integration

between the two countries will be harmed."

Asked about the complaint made by a Colombian Catholic organization, according to which Venezuela is violating the human rights of undocumented residents of Venezuela, Ochoa pointed out that "illegal immigrants are those who violate Venezuelan laws."

1 September: At a joint press conference held at the end of Venezuelan Foreign Minister Ochoa's visit to Bogota, the Colombian and Venezuelan ministers of foreign affairs maintained their "contrasting points of view" regarding their differing views on the boundaries in the Gulf of Venezuela.

1 September: Colombia deported 10 Venezuelan citizens who were living illegally in Colombia. According to the DAS [Colombian Administrative Department of Security], the Venezuelans were involved in promoting and selling American [sic; as printed] products in Colombia.

15 September: The Colombian Ministry of Foreign Affairs sent a diplomatic note to Caracas in which it repeated the Colombian position on the demarcation of maritime and underwater boundaries in the Gulf of Venezuela, in reply to statements made by Venezuelan Foreign Minister Ochoa at the joint press conference held in Bogota on 1 September. The text of the note leaked out in Caracas on 17 December, three months after it was sent.

On 15 September Colombia sent another note of protest, complaining about the violation of the human rights of Colombian citizens resident in Venezuela by the National Guard.

8 October: Alberto Casas Santamaria presented his credentials at Miraflores Palace as the new ambassador of Colombia in Caracas.

15 November: Venezuela sent two notes of protest to Colombia. One of the notes rejected Colombian accusations about violations of human rights in Venezuela, and the other note referred to the holding of the "Primer Encuentro de Colombianos en Venezuela" [First Meeting of Colombians in Venezuela], which took place in Caracas between 9 and 12 October and at which the Venezuelan authorities were accused of violating human rights. These conclusions were presented for the consideration of the Venezuelan Ministry of Foreign Affairs. The contents of the document caused annoyance to the Venezuelan authorities. In his note Venezuelan Foreign Minister Ochoa termed the conclusions of the abovementioned meeting unacceptable and criticized the fact that such a meeting was used "to perform political acts, in violation of the express provisions of existing legislation regarding foreign nationals."

20 November: Antonio Navarro Wolff, the Colombian presidential candidate of the "Alianza Democratica M-19" [Democratic Alliance/19 April Movement], stated that the Venezuelan National Guard was taking bribes from undocumented Colombians to nationalize them as Venezuelan citizens.

20 November: General Pedro Romero Farias, the commander of the Venezuelan National Guard, called Navarro Wolff a criminal and warned that if he entered Venezuela, he would be arrested and tried.

20 November: Venezuelan Foreign Minister Ochoa stated in reply to Navarro Wolff, "These are surprising and aggressive statements which I cannot understand and which Venezuela cannot accept."

20 November: Radames Munoz Leon, Venezuelan defense minister, ordered an investigation by military courts of the accusations made by Navarro Wolff.

21 November: Colombian Foreign Minister Sanin asked for "good sense on both sides" to avoid damaging bilateral relations following the statements made by Navarro Wolff.

24 November: Navarro Wolff announced that he would sue the commander of the Venezuelan National Guard "for slander and injury" to his personal reputation.

24 November: Colombian Foreign Minister Sanin sent a communication to Venezuelan Foreign Minister Ochoa in which she denied that her country once considered it "inappropriate" to sign an agreement with Venezuela for the exchange of prisoners, as stated by Venezuelan Minister of Justice Fermin Marmol Leon on 23 November.

27 November: The government of Venezuelan President Ramon J. Velasquez revoked Decree 1911.

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